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NEWSPAPER

MAY 18, 1992

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GM consolidates fleet sales

Elimination of overlap expected to save millions

JOSEPH BOHN and PHIL FRAME
Staff Reporters

General Motors is taking over car and light-truck fleet sales duties from its six divisions.

Because only one person will call on an Avis or a Xerox, not six, GM will eliminate nearly half its fleet sales jobs. Those persons will be reassigned.

The new Fleet Operations super group is an effort to focus marketing efforts, eliminate overlapping bureaucracy and save the automaker millions of dollars in personnel and marketing costs.

The group, under North American Operations, will handle medium and large customers of six car and truck divisions, according to GM sources. Saturn is not included.

One fleet sales representative will call on a major rent-a-car company or corporate account, rather than as many as six. Only one service representative will call on the account.

The result is about 40 fleet people in the field

see GM FLEET, 33

GM divisions get more ad dollars > 4

late news

Honda regions get more power

TOKYO — Honda Motor Co. will announce major organizational changes Wednesday that will give more authority to regional managers, company insiders said late last week.

The restructuring will further decentralize worldwide passenger-car operations by setting up regional headquarters in the United States, Japan, Europe and Asia, a Honda official said.

Organizational changes to be announced by Honda President Nobuhiko Kawamoto reflect an ongoing reshaping of the corporation that began just over a year ago. But personnel changes at the top come in the wake of the unexpected resignation of Executive Vice President Shoichiro Irimajiri in March for health reasons.

Wednesday's announcements will coincide with Honda's annual financial press conference. The changes will be confirmed a month later at the company's annual stockholders meeting.

Last year, Honda divided the company into three units — auto, motorcycle and power products — and did away with its consensus-style structure in favor of clear lines of authority.

— *Richard Johnson*

Waxman drops tough fuel bill

WASHINGTON — The auto industry dodged another bullet on increased fuel economy last week when Rep. Henry Waxman, D-Calif., withdrew his bill that would have required the United States to hold the line on carbon dioxide emissions.

Automakers saw Waxman's

see LATE NEWS, 2

JOE WILSSENS-AUTOMOTIVE NEWS

Iacocca begins the goodbyes

His voice weighted with emotion, Chrysler Chairman Lee Iacocca started bidding farewell to the company that has become synonymous with his name. Last week he chaired his final stockholders meeting. Alongside him are Chrysler President Robert Lutz, left, and Vice Chairman Robert Eaton. Story on Page 8.

Rising costs push Japan up market

RICHARD JOHNSON
Staff Reporter

TOKYO — Suddenly hemmed in by new caps on exports to the United States and Europe, Japan's carmakers are moving swiftly to upgrade the role of their fledgling luxury-car divisions.

Even at a time when their new-product budgets are strained by sliding profits and weak sales in their home market, the makers are forging ahead with plans to bolster their prestige-class franchises with new products and expanded dealer networks overseas.

"In Japan, all costs are rising," said Masayuki Mochizuki, industry analyst at W.I. Carr (Overseas) Ltd. in Tokyo. "They have to sell more luxury cars."

Toyota's Lexus and Nissan's Infiniti divisions have both an-

see LUXURY, 34

Makers decimate dealer discounts

Add-ons to invoice slash profit margin

PHIL FRAME
and JOHN K. TEAHEN JR.
Automotive News

A 1992 Buick Regal Limited coupe has a sticker price of $17,790 and a dealer discount of 18 percent.

That means a dealer should buy the car from General Motors for $14,588. If the car is sold for full sticker price, the dealer's profit is $3,202.

That sticker price and dealer discount are correct. But anyone who believes the profit figure needs to look further into puzzling world of dealer discounts, holdbacks, finance charges, advertising assessments, destination charges and dealer-buyer negotiations.

Automotive News examined the factory-to-dealer pricing structure in an effort to determine just how tough it is to make a buck in the retail auto business.

The conclusion: It is very tough indeed.

The average dealership's pre-tax profit margin was 1 percent of sales in 1991, according to the National Automobile Dealers Association. It was the same profit margin as in the previous two years, NADA said.

But the profit was realized in spite of the new-vehicle department, not because of it, NADA said. Dealers lost $112 per new vehicle sold to a retail customer last year, according to NADA calculations.

Huge margins between dealer costs and sticker prices just don't exist. The discounts at which dealers buy cars from their manufacturers or importers are adequate in many cases and penurious in others. In every case, holdbacks and the add-ons make the stated discount little more than

see DISCOUNT, 22

Cooper wins import dealer all-star award

Gary Cooper, a Nissan dealer in Long Beach, Calif., has won the Sports Illustrated All-Star Dealer Award.

Cooper, president of Long Beach Nissan and a 23-year Nissan dealer, was selected as the national winner from nine regional winners in the third annual contest.

All winners were selected by a panel of graduate business school deans and professors. The award is co-sponsored by *Sports Illustrated* and the American International Automobile Dealers Association.

Gary Cooper is president of Long Beach Nissan.

Cooper is scheduled to receive the award tonight at AIADA's Automotive Congress in Washington. (See story on Page 6.)

The award recognizes exceptional business performance, community service and commitment to the industry.

— *Charles E. Ramirez*

Big 3, Big Five together again

Pressure builds on the Japanese

MAX GATES
and RICHARD JOHNSON
Staff Reporters

The Japanese won't be bearing gifts, and President Bush won't be coming to dinner, but the chiefs of the eight U.S. and Japanese automaking giants again will sit down together, in suburban Chicago this morning, hoping to open the door of goodwill a little wider.

The meetings take place amid hopes of further calming the political waters on both sides of the Pacific, roiled by recession and economic competition since the Auto Summit I in Tokyo in January. Last week there was even talk of Auto Summit III before the end of the year.

The meeting, scheduled for 7:30 a.m. Central time at the Hyatt Regency Hotel in Oak Brook, was billed as a follow-up to the Tokyo talks. The agenda is determining what progress has been made in the past four months on Japanese Big Five pledges to increase purchases of U.S.-made auto parts and to help the U.S. Big 3 sell more cars in Japan.

But the scene has changed since

see SUMMIT, 38

SUMMIT AGENDA

Monday morning
May 18, 1992
Oak Brook, Ill.

Introductions	7:30
Review economies of Japan, U.S.	7:40
Discuss Japanese parts procurement	8:40
Discuss promised Japanese purchase of Big 3 cars	9:40
Determine next steps: industry dialogue, government issues to pursue	11:00
Review communique	11:20

Automotive News

BMW NARROWS SELECTION
South Carolina, Nebraska weighed for plant site. PAGE 4

VW REACHES BACK TO PAST
Beetle tapped for new Passat ad campaign. PAGE 4

DIAMOND CUES
New Mitsubishi Galant shares a lot with Diamante. PAGE 6

AUDI EYES AMERICA
Assembly plant could counter rising German costs. PAGE 8

JAPAN SALES STILL SLIDING
But the over-2.0-liter segment rises 57% in April. PAGE 9

PRICE HIKES FOR MEDIUMS

▲ Isuzu, other Japan makers hike '93 truck prices. PAGE 11

END OF AN ERA
Brampton plant closing is unusually painless. PAGE 24

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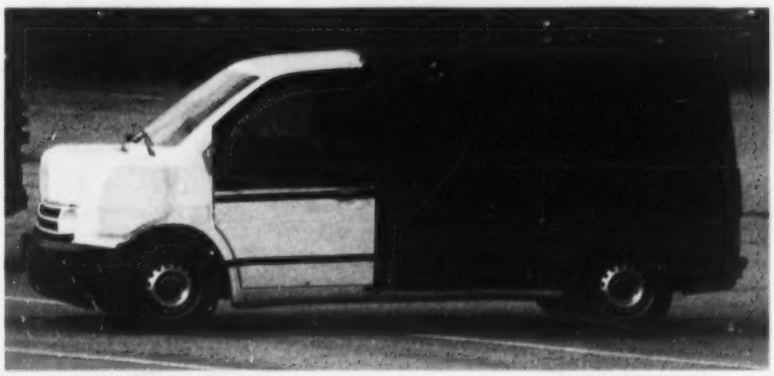
correction

A photo on Page 2 of the May 11 issue was misidentified by the photographer, Hans Lehmann. The vehicle is a concept created by IAD, not a future Honda product.



HANS G. LEHMANN-HIDDEN IMAGE

Mercedes' minivan

An advanced prototype of a Mercedes-Benz multi-purpose vehicle was spied recently during testing at the Daimler-Benz proving grounds in Stuttgart, Germany. The sloping hood could house a four-, five- or six-cylinder engine, sources say. Full-time all-wheel drive is under study.

latenews

CONTINUED *from* PAGE 1

bill as "backdoor CAFE" legislation because it would have limited the burning of fossil fuels, such as gasoline. Industry officials estimated that the bill would require a corporate average fuel economy of 40 to 45 mpg in the next decade to hold total carbon dioxide emissions at 1990 levels.

Waxman hoped to attach his bill as an amendment to an energy bill now being debated in the House. But the bill faced a tough fight in Congress and probably would have been vetoed by President Bush.

— *Max Gates*

Mitsubishi, Mercedes fail

TOKYO — Mitsubishi Motors Corp. and Mercedes-Benz AG last week dropped plans to jointly produce a sport-utility for the European market. Officials said various "technical problems" could not be resolved.

The idea arose in 1990, when Mercedes proposed building a replacement for its Gelandewagen sport-utility that would be based on Mitsubishi's Pajero. To date, it is the most concrete proposal for cooperation to arise from continuing talks between the two automakers' parents, the giant Mitsubishi and Daimler-Benz groups.

Other proposals, such as joint production of a car in Europe, also have been studied and dumped.

— *Mary Ann Maskery*

Eldo and Seville get Allante ride

DETROIT — The 1993 Cadillac Eldorado Touring Coupe and the Seville STS with the Northstar V-8 will also get what is currently an Allante exclusive suspension system, according to a Cadillac service bulletin.

While previous electronic damping systems responded in the 120- to 150-millisecond range, the new system range is 10- to 15-milliseconds. At 60 mph, it reads once per inch of road.

Progress noted on trade pact

WASHINGTON — Rounds of intensified talks in late April and again last week in Toronto have produced progress in the automotive sector of North American Free Trade Agreement negotiations, sources say.

Negotiators have reached agreement on how "domestic content" would be counted. They also have agreed to eliminate so-called "roll-up" provisions, which allow a vehicle part to be counted as 100 percent domestic when it reaches a certain threshold of domestic content.

But there is still no agreement on the percentage of a vehicle that must be North American-made to qualify for tariff-free transport between countries.

— *Max Gates*

Brougham gets Fleetwood tag

DETROIT — Cadillac confirmed that the redesigned 1993 Brougham will be called the Fleetwood Brougham when the car hits showrooms this fall.

"We changed the name," spokesman Vince Muninga said, when asked why a photo of the new rear-wheel-drive Brougham in a recent stock prospectus identified the car as a Fleetwood.

The Brougham had been called the Fleetwood Brougham until the 1988 model year, when the Fleetwood switched to the same C-body platform as the DeVille. Muninga would not discuss 1993 model year plans for a C-body Fleetwood.

— *Phil Frame*

GM purchasing treads new path

DETROIT — Roy Roberts, manufacturing manager for General Motors' Flint Automotive Division, said global competition is forcing a new approach to purchasing.

Speaking to the National Association of Black Suppliers last week, Roberts urged the group to help change the face of the industry by being "absolutely focused on quality, cost and customer satisfaction."

He said GM is moving toward a strategy that requires suppliers to be able to compete anywhere in the world. He said the company will accelerate its efforts toward advance purchasing to get suppliers involved early in the design process.

Taurus, Sable wagons recalled

DEARBORN, Mich. — Ford Motor Co. is recalling 700,000 Ford Taurus and Mercury Sable station wagons to replace the latch on the rear storage compartment, or the latch on the cover of the footwell area for those vehicles equipped with a rear-facing third seat.

Ford spokeswoman Kathryn Blackwell says children have locked themselves inside the storage area and cannot unlock it from the inside.

The affected vehicles cover the 1986-92 model years.

Seat belt study: Toughen laws

WASHINGTON — The U.S. General Accounting Office released a study last week recommending that state safety belt laws be strengthened by requiring all occupants to buckle up, including those in trucks, vans and in rear seats.

In crashes, safety-belt use reduced the fatality rate and the serious injury rate by 50 to 75 percent, the study said.

Nissan adds assembly line

TOKYO — Nissan Motor Co. Ltd. last week opened a new assembly line at its Kyushu plant in a move that adds 240,000 units of annual capacity.

The $770 million expansion makes the plant Nissan's largest, with an annual capacity of 600,000 units. Nissan said the line will not increase overall capacity because it replaces two lines already scrapped at other plants.

Nissan said it will concentrate all Pulsar production at the plant, except for 5,000 units a month assigned to Fuji Heavy Industries. Other models will be added later.

— *Mary Ann Maskery*

briefly

Lido not Perot's choice for No. 2

Chrysler Corp. Chairman Lee Iacocca said he has been contacted by Texas billionaire H. Ross Perot, who is considering running for president as an independent. Iacocca declined to say what Perot's offer entailed except to say it was not the vice presidential post on a Perot ticket.

CANDIDATE DEBATE — While George Bush, Bill Clinton and H. Ross Perot chase one presidency, two names have surfaced across the Potomac in the race to succeed George Nield, who will retire Oct. 1 as president of the Association of International Automobile Manufacturers. One is Philip A. Hutchinson Jr., vice president of public affairs and general counsel at **Volkswagen of America Inc.** The other is Charles Lockwood III, the association's vice president and general counsel. Hutchinson supporters like his import industry experience, but some wonder if he can keep the delicate balance between Asian and European members. Lockwood supporters cite his record at the association, but his prior job at the Motor Vehicle Manufacturers Association could be a liability. As in the White House race, there's also a chance for more faces: The association has hired a headhunter to scout for other candidates.

WHAT'S MY LINE? We've never met Grace Lieblein, but we'd like to see her business card. We suspect that she has the longest title in the auto industry. On May 1, Lieblein became director of exterior trim, ornamentation, glass, general assembly integration and materials engineering for the vehicle engineering staff of the Lansing Automotive Division of **General Motors.** If she had been promoted a month earlier, her title would have been even longer. It would have included the words **Buick-Oldsmobile-Cadillac** Group.

SEGMENT STAYING POWER? With the new **Jeep** Grand Cherokee barely out of the starting gate, **Ford Motor Co.** already is boasting that the Jeep never will catch Ford's red-hot Explorer sport-utility. A release issued by Ford Motor's Truck Operations noted that the Explorer is offered in more models, is cheaper and is roomier than the Grand Cherokee. The release also said word-of-mouth advertising from love-struck Explorer owners will keep the 3-year-old Ford truck at the top of the sales charts.

HOW TIME FLIES — Neither shareholders nor **Ford** officials had much to say, and the company's 37th annual stockholder's meeting last Thursday was completed in a record time of one hour and 37 minutes. The shortest meeting on record had been one hour and 47 minutes in 1971. Stockholders voted on four proposals and addressed only about a dozen questions to Ford Chairman Harold Poling. One of the more amusing statements came from a shareholder who told Ford executives that he thought General Motors' ads were more catchy than Ford's. His advice to the company: When advertising the Taurus, use the tag line "America's most copied car." Poling said that he would consider the advice.

Poling: record time

Sales comeback slips off the rails

ARLENA SAWYERS
Staff Reporter

The industry's on-and-off sales recovery was off again in early May.

Sales of cars and light trucks for the first 10 days of May fell 3.6 percent from last year, as measured by the daily selling rate. Actual sales were down 14.5 percent, but the early-May period had eight selling days this year and nine last year. The totals were 261,460 this year and 305,616 in 1991.

The Big 3 sold 201,556 cars and light trucks, a 1.6 percent decrease. Like other percentages in this article, that decline was calculated on a daily sales rate basis.

Japanese makes accounted for 54,388 sales, a 10.3 percent slide. Sales of European imports dropped to 5,575, down 10.8 percent, and the Korean total of 3,029 was up 3.6 percent.

While General Motors sales were down 5.7 percent, some divisions had good news. Pontiac, up 37.1 percent, attributed its success to the Bonneville, the Trans Sport and especially the Grand Am.

"Now that Pontiac dealers have a supply of vehicles that matches demand, we expect Grand Am's momentum will build to an even higher rate," said Pontiac General Manager John Middlebrook.

BY THE NUMBERS
10-day sales results ➤ 37
Imports stocks steady ➤ 37

Import-fighter Saturn scored a 143.4 percent gain over last year when its dealers were still stocking up, and Cadillac posted a 15.9 percent gain.

Chrysler Corp. sales were down an estimated 1.7 percent. Ford Motor Co. deliveries rose 4.6 percent.

Domestic light-truck sales, which were strong in April, were 0.8 percent above early-May in 1991. Ford and Chrysler were up on a daily-rate basis; GM dropped.

Sales of imported trucks slipped 15.05 percent.

American Honda Motor Co. Inc. and Toyota Motor Sales U.S.A. Inc. reported double-digit 10-day sales declines. Honda was down 18.2 percent and Toyota was down 21.3 percent. Nissan Motor Corp. in U.S.A. fell 4.5 percent. AN

U.S. sales of the new Galant begin next spring; pictured is the version for Japan's market.

Mitsubishi unveils new Galant

TOKYO — There's a lot of Diamante in Mitsubishi's all-new Galant/Eterna sedan, unveiled last week. Beyond its styling cues, the front-wheel-drive car also takes Diamante's 24-valve V-6 engine.

For Japan's market, engines range from 1.8- and 2.0-liter fours to 1.8- and 2.0-liter V-6s. The 1.8 V-6 produces 135 hp, and the 2.0-liter makes 145 hp with a single overhead cam, 170 hp with double overhead cam and a whopping 240 hp from a twin-turbo version.

The Galant is the first Mitsubishi model — and possibly the first in the world — to come equipped with an electronic-control system based on a fuzzy-logic chip.

The system, called INVECS for intelligent innovative vehicle electronic control system, makes continous, automatic adjustments to the car's all-wheel-drive and four-wheel-steering systems, traction control, transmission, suspension and air conditioning in response to road and weather conditions.

Fuzzy logic is a form of artificial intelligence that is able to distinguish such ambiguous parameters as "slightly icy" or "warm."

The new Galant is wider and longer than its predecessor, but not as tall. Width is 68.1 inches; length, 181.5 inches; height, 55.1 inches; and wheelbase, 104 inches.

Mitsubishi said it hopes to sell 7,800 units a month in Japan, at prices ranging from 1.37 million yen (about $10,540) to 3.37 million yen ($25,900).

The new Galant will be launched in the United States next spring.

— *Mary Ann Maskery*

AIADA convention targets trade, luxury tax issues

MAX GATES
Staff Reporter

WASHINGTON — Despite hard times in the auto industry — or maybe because of them — this week's annual meeting of import dealers is expected to draw 25 percent more people than last year's.

More than 1,000 participants are expected at the 15th Automotive Congress of the American International Automobile Dealers Association, which began here Sunday night.

The reason: growing concern that legislation debated in Congress will add to the problems of import dealers, even as the economy continues its slow recovery. Chief topics on dealers' minds are:

- Trade bills that would restrict sales of Japanese-badged cars and trucks.
- Repeal of the 16-month-old luxury tax, which has hit hardest at high-line European imports.
- The possibility of a 10-fold hike in the duty on imported minivans and four-door sport-utilities.

"Dealers are also concerned about the Buy American stuff," said Paul Donnellan, AIADA director of congressional relations. "The whole mood and tenor of politics concerns them right now."

The three-day session was scheduled to open this past Sunday night with a briefing on key issues before Congress. AIADA has set aside Tuesday afternoon for members to lobby their representatives and senators.

"The dealers are coming to town at just the right time," said Walter Huizenga, AIADA executive director. The next three weeks will be critical as Congress debates trade legislation, he said.

And, while the Bush administration has apparently backed off from proposals to raise the tariff on minivans and four-door sport-utilities from the current 2.5 percent to 25 percent, the issue is still alive in Congress. "That could be devastating to dealers who sell those vehicles. It's an important market for them," Donnellan said.

He noted Congress may be particularly attentive to dealers this year: "There's a lot of concern about turnover (in the House and Senate), and Congress isn't exactly high in the popularity polls."

In addition to a series of legislative briefings and profitability workshops, AIADA has scheduled several speakers. They include Paul Tsongas, former Democratic presidential candidate; Jack Kemp, secretary of housing and urban development; Dick Cheney, secretary of defense; Sen. Alan Simpson, R-Wyo.; Clark Vitulli, chief operating officer of Mazda Motor of America Inc.; Keith Crain, publisher and editorial director of *Automotive News;* Rep. Sam Gibbons, D-Fla., chairman of the House subcommittee on trade; and economist Larry Kudlow. AN

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Saturn ups sales-per-dealer lead

KAREN DETKOWSKI
Staff Statistician

Saturn dealers' sales-per-dealer measure dipped by five units in April, but the gap between the franchise's average and that of the competition continued to widen.

Saturn averaged 110 units per outlet for the month, vs. 116 in March and 58 a year ago.

Toyota, No. 2 in March with a 75-unit average, managed to hold onto its rank despite an 11-unit decline in April. Its average is now 46 units behind Saturn's.

According to *Automotive News* sales-per-dealer calculations, 12 makes reflected increases in April, 14 fell and 12 remained constant with March results.

Within the top 10 franchises, Nissan car and truck dealers upped their average by six units, and Mazda dealers sold five more units per dealer. Mazda had its best month yet for the new MX-3 sports coupe and the Protege compact sedan, setting an all-time monthly passenger car sales record for the company.

Ford Division gained one unit on the strength of rising truck sales, and Chevrolet rose one unit on both its car and truck sides.

Mitsubishi dealers, although not among the top 10 leaders, increased dealer averages by nine units, the highest increase for the month. Mitsubishi announced an all-time monthly sales record for the domestically produced Eclipse.

The average for Yugo America Inc., which declared Chapter 7 bankruptcy in April, is no longer calculated.

U.S. CAR AND LIGHT-TRUCK SALES PER DEALER

Make	Car	Truck	Apr. Total	Mar Total
Saturn	110	—	110	116
Toyota	47	17	64	75
Honda	54	—	54	50
Lexus	53	—	53	69
Ford	22	29	51	50
Mazda	36	9	45	40
Nissan	27	14	41	35
Chevrolet	20	21	41	39
Infiniti	40	—	40	46
Acura	35	—	35	35
Mitsubishi	28	4	32	23
Dodge	8	18	26	26
Hyundai	24	—	24	24
Pontiac	17	1	18	18
Mercedes	15	—	15	14
BMW	15	—	15	15
Buick	15	—	15	14
Isuzu	2	12	14	14
Oldsmobile	13	1	14	14
Jeep	—	14	14	14
GMC	—	13	13	11
Mercury	13	—	13	12
Plymouth	6	7	13	11
Subaru	11	—	11	14
Cadillac	11	—	11	12
Volvo	11	—	11	20
Lincoln	8	—	8	9
Saab	8	—	8	9
VW	7	0	7	10
Suzuki	2	5	7	9
Jaguar	6	—	6	5
Daihatsu	3	2	5	7
Chrysler	3	1	4	4
Audi	4	—	4	5
Range Rover	—	4	4	3
Eagle	3	—	3	3
Alfa Romeo	2	—	2	2
Porsche	1	—	1	1

Dealers Report Record Gross & Sales

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Bill to change liability law inches ahead

MAX GATES
Staff Reporter

WASHINGTON — Backers of a national product liability law say they moved a step closer to their goal after a Senate vote last Wednesday.

That vote was only on a rules technicality. And the product liability issue, which was part of package of legislation, was never debated or voted on by the full Senate. But the vote should help build momentum in the Senate for passage, perhaps later this year, said Bill Fay. Fay is executive director of the Product Liability Coordinating Committee, the group pushing the legislation which includes the Big 3.

The bill would create a single, national product liability law, replacing 50 different state laws. It has broad support from Republicans and Democrats. But it is opposed by powerful legislators, including Senate Majority Leader George Mitchell, D-Maine. Mitchell, in fact, pulled the package from the Senate's agenda after the rules vote.

Among other provisions, the legislation would provide incentives for out-of-court settlements, create a uniform standard for awarding punitive damages in liability lawsuits, and eliminate the "joint and several liability" rule that enables plaintiffs to collect damages from the richest defendant regardless of responsibility. A uniform liability system would make risks of producing and selling products more predictable, supporters say.

Lease program gives Mercedes S class a big boost

JIM [illegible]RY
Staff Reporter

NEW YORK — Mercedes-Benz of North America Inc. doesn't like to phrase it this way, but the company's new Win-Win lease campaign could be a remedy for sticker shock, especially for the flagship S class.

While overall sales of imported cars dropped in April, sales of Mercedes' top line shot up 77.7 percent over last year.

The 2,396 S-class sales topped this year's previous monthly high by almost 1,000 units.

But Mike Jackson, executive vice president of the importer, disputes the sticker shock remedy concept. "I wouldn't put it that way at all," he said.

"All you have to do is look around the marketplace. Every competitor is out there with lease programs, and we don't intend to be above the fray."

"We have a great deal of satisfaction with the way the car has been received, with a median price around $80,000, considering the economy and the luxury tax," he said.

Whether or not you call it sticker shock, S-class prices took a giant step last fall. At $69,400, the least expensive model, the 300SE, jumped $15,500 over the 1991 model.

The 1992 S-class also includes the 300SD, 400SE, 500SEL and 600SEL.

Initially, the new S class "wasn't very successful," said Peter G. Terian, co-owner of Rallye Motors Inc. (BMW/Lexus/Mercedes-Benz/Rolls-Royce) in Roslyn, N.Y. "But since the April special lease plan, business has totally turned around. We just had our biggest week in 34 years." He said half of his Mercedes sales in April were S-class cars, an unusually high proportion.

Nationwide, S-class sales of 2,396 in April were 38.3 percent of Mercedes' total.

Through March, Mercedes was running well below its goal of 20,000 S-class sales for the model year. But April closed the gap, prompting Jackson to say Mercedes might still "get close" to the target.

"The car is $10,000 cheaper this way," Terian said of the Win-Win lease.

Under the Win-Win lease, the monthly payment for the 300SE is $865.98. For 36 months, that's $31,175.28, which is an awful lot less than $69,400.

In its Win-Win advertising, Mercedes has been emphasizing that monthly-payment-times-36 number. So far, Mercedes hasn't advertised the new lease program on S-class cars, but the special deal is available on all 1992 models.

"Now, the perception is of value," Terian said.

He said that on a four-year lease, the monthly payment on the 500SEL can be $250 less than on a conventional lease. On a three-year lease, the 500SEL goes for $1,-232.42 a month, or $44,367.12. The retail sticker is $93,500.

U.S. sales of all cars built outside the United States and Canada dropped 5.87 percent in April. Through April, sales were 82 units below 1991.

IMPORTED CAR SALES, APRIL & YTD

	Apr. 1992	Apr. 1991	4 Mos., 1992	4 Mos., 1991
Integra	4,743	6,728	19,622	23,822
Legend	3,839	5,227	14,886	19,080
NSX	118	249	481	767
Vigor	1,701	192	4,971	192
ACURA	**10,401**	**12,396**	**39,960**	**43,861**
Milano	0	0	1	1
Spider	147	197	407	537
164	240	253	900	772
ALFA ROMEO	**387**	**450**	**1,308**	**1,310**
ASTON MARTIN*	**5**	**5**	**20**	**20**
S4	36	0	44	0
80	129	207	639	742
90	33	96	246	523
V8 Quattro	27	38	116	199
Coupe Quattro	2	34	52	130
100/200	857	593	3,526	1,698
100/200 Quattro	194	83	490	337
AUDI	**1,278**	**1,851**	**5,113**	**3,629**
3 series	3,286	2,312	10,301	7,569
5 series	2,012	1,875	6,140	5,553
635 CSi	0	0	6	4
7 series	356	429	1,710	1,289
850i	40	225	364	805
M3	7	28	55	133
M5	36	42	110	143
BMW	**5,737**	**4,911**	**18,680**	**15,496**
Geo Storm	5,574	8,689	20,874	22,703
Geo Metro (import)	1,707	1,085	4,416	4,211
Geo Metro (domestic)	*6,782*	*3,453*	*30,536*	*23,548*
CHEVROLET/GEO	**7,281**	**9,774**	**25,290**	**26,914**
Colt	2,030	2,609	6,474	7,730
Stealth	1,729	1,734	6,060	6,150
Summit (import)	1,314	772	4,465	2,477
Summit (domestic)	*519*	*731*	*1,797*	*2,076*
Vista	882	632	3,071	2,245
TC	0	110	0	581
CHRYSLER CORP.	**5,955**	**5,857**	**20,070**	**19,183**
DAIHATSU	**669**	**574**	**3,204**	**1,983**
FERRARI*	**80**	**80**	**320**	**320**
FORD Festiva	**2,621**	**3,905**	**12,578**	**12,719**
Civic/CRX (import)	4,820	6,427	19,408	21,234
Civic (domestic)	*10,988*	*11,028*	*43,397*	*35,364*
Accord (import)	5,213	7,068	23,121	33,218
Accord (domestic)	*28,140*	*29,976*	*95,908*	*96,453*
Prelude	3,127	2,282	12,381	7,443
HONDA	**13,160**	**15,777**	**54,910**	**61,895**
Excel	3,668	5,042	14,064	21,460
Sonata	1,546	1,783	4,175	6,938
Scoupe	1,967	2,381	5,612	9,133
Elantra	3,257	0	9,667	0
HYUNDAI*	**10,438**	**9,206**	**33,518**	**37,531**
M30	480	530	1,719	2,120
Q45	649	859	4,135	2,530
G20	941	1,073	4,535	3,968
J30	1,246	0	1,714	0
INFINITI	**3,316**	**2,462**	**12,103**	**8,618**
I-Mark	4	16	4	63
Impulse	741	361	1,583	1,254
Stylus	496	907	2,026	1,837
ISUZU	**1,241**	**1,284**	**3,613**	**3,154**
XJ6	657	538	1,819	2,095
XJS	171	271	996	831
JAGUAR	**828**	**809**	**2,815**	**2,926**
LAMBORGHINI*	**13**	**13**	**52**	**52**
ES250/300	2,602	1,533	11,563	6,177
LS400	2,374	3,128	10,905	10,370
SC400/300	1,612	0	8,132	0
LEXUS	**6,588**	**4,661**	**30,600**	**16,547**
LOTUS*	**27**	**27**	**108**	**108**
MASERATI*	**20**	**20**	**80**	**80**
323	1,288	1,619	6,473	6,985
Protege	13,360	3,499	32,496	14,349
626 (import)	50	2,491	351	7,121
626 (domestic)	*5,573*	*4,781*	*18,687*	*24,478*
MX-6 (import)	26	259	97	447
MX-6 (domestic)	*3,165*	*2,851*	*7,303*	*12,400*
MX-5 Miata	2,667	4,002	7,889	12,824
MX-3	2,483	0	8,919	0
929	2,013	1,643	7,810	4,525
RX-7	736	815	1,726	2,285
MAZDA	**22,623**	**14,328**	**85,761**	**48,536**
190 class	1,520	1,444	5,417	4,931
300 class	1,852	1,735	7,637	6,028
S class	2,396	1,348	6,233	4,103
SL Coupe/Roadster	456	808	1,733	2,771
Tourist	32	41	136	135
MERCEDES-BENZ	**6,256**	**5,376**	**21,156**	**17,968**
Tracer	3,484	3,349	13,494	15,983
Capri	1,227	1,795	5,760	6,086
MERCURY	**4,711**	**5,144**	**19,254**	**22,069**
Diamante	1,294	0	5,481	20
Mirage (import)	232	3,294	2,483	11,572
Mirage (domestic)	*381*	*2,048*	*3,206*	*6,449*
Galant	1,595	3,544	7,441	12,344
Sigma	0	13	2	92
Precis	99	213	508	983
3000GT	1,003	1,340	3,842	4,418
Expo LRV	422	0	1,621	0
Expo	518	0	2,659	0
Wagon	1	26	5	143
MITSUBISHI	**5,184**	**8,430**	**24,042**	**29,572**
Sentra (import)	3,765	1,980	15,675	7,075
Sentra (domestic)	*9,967*	*12,456*	*34,490*	*39,343*
Pulsar	0	6	0	20
NX	895	565	2,976	1,080
Stanza	4,051	6,286	15,879	21,449
Maxima	7,954	7,697	27,445	26,216
240SX/200SX	2,708	2,662	7,327	9,385
300ZX	1,213	1,236	3,256	4,549
Hawaii	0	277	258	374
NISSAN	**20,586**	**20,709**	**72,816**	**78,148**
PEUGEOT	**34**	**318**	**245**	**1,319**
PONTIAC LeMans	**1,574**	**3,294**	**6,148**	**10,662**
944S/Cabriolet	105	76	336	269
911 Carrera 2	128	225	622	793
911 Turbo	15	48	187	125
911 Carrera 4	30	78	274	269
928S4/GT	14	29	63	95
PORSCHE	**292**	**456**	**1,482**	**1,551**
ROLLS/BENTLEY	**22**	**22**	**88**	**88**
900	447	925	1,698	2,419
900S	908	1,203	2,560	2,939
900 Turbo	414	796	1,328	2,192
9000S	419	477	1,281	1,365
9000CD	232	362	821	973
9000 Turbo	155	241	513	697
Tourist	13	9	35	21
SAAB	**2,588**	**4,013**	**8,236**	**10,604**
STERLING	**0**	**247**	**0**	**903**
Legacy (import)	599	2,066	3,430	7,392
Legacy (domestic)	*4,822*	*3,947*	*17,563*	*14,145*
Loyale	2,205	3,062	8,066	11,298
XT/XT6	0	127	0	734
Justy	311	696	1,283	2,886
SVX	332	0	1,315	0
SUBARU	**3,447**	**5,951**	**14,094**	**22,310**
Swift (import)	432	290	1,888	1,413
Swift (domestic)	*17*	*59*	*72*	*114*
SUZUKI	**432**	**290**	**1,888**	**1,413**
Corolla (import)	5,396	5,847	25,421	24,289
Corolla (domestic)	*10,127*	*8,879*	*40,308*	*33,372*
Paseo	3,702	0	13,047	0
Tercel	7,558	9,530	31,756	34,436
Celica	3,365	5,646	14,475	22,925
Supra	106	335	470	1,217
Camry (import)	6,381	4,655	25,753	22,646
Camry (domestic)	*17,820*	*12,666*	*66,816*	*53,345*
Cressida	283	845	1,216	3,433
MR2	659	1,158	2,239	4,092
TOYOTA	**27,450**	**28,016**	**114,377**	**113,038**
Cabriolet	717	626	2,734	1,871
Corrado	306	571	1,263	2,279
Jetta	1,917	3,609	9,610	11,315
Golf/GTI	889	1,241	4,147	4,358
Passat	792	1,272	3,720	5,502
Fox	727	1,313	3,860	5,440
VOLKSWAGEN	**5,348**	**8,632**	**25,334**	**30,786**
240 series	1,793	3,271	7,715	11,080
700 series	956	2,894	6,022	9,966
940 series	1,513	986	9,120	4,392
Tourist	33	20	82	72
VOLVO*	**4,295**	**7,171**	**22,939**	**25,510**
YUGO	**0**	**127**	**1,412**	**885**
IMPORT TOTAL	**174,867**	**185,778**	**663,606**	**663,688**

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in brief

SERVICE

Champion offers scholarships

TOLEDO, Ohio — The Champion Spark Plug Co. is offering tuition scholarships of up to $2,000 for the children and grandchildren of ASE-certified technicians who plan to pursue an education and career in auto service technology. Application deadline is June 26.

Champion will award eight Legacy Scholarships, one in each of its national sales regions. The award will cover tuition, fees and classroom materials. The scholarship is renewable for a second year for recipients who maintain at least a 2.5 grade point average.

Applications are available at many high school career guidance officers or by writing to Champion Legacy Scholarships, P.O. Box 910, Toledo, OH, 43661, attention Dick Parker.

Ford, Johnson mark anniversary

MILWAUKEE, Wis. — Ford Motor Co.'s Parts and Service Division received an award from Johnson Controls Battery Group marking the 10th anniversary of a partnership between the two.

Johnson Controls Battery Group is the manufacturer of Motorcraft batteries and has been the sole supplier to the Parts and Service Division since 1982.

Both groups renewed their support for efforts to recycle lead-acid batteries.

Changes don't rattle GM service

DALE JEWETT
Service Editor

WARREN, Mich. — General Motors' new North American Operations is paying attention to the automaker's approach to service as it reviews all aspects of the business.

If changes are going to be made, it's likely the new course of action will be mapped out soon, said Richard Lannen, director of the Service Technology Group.

Lannen: too soon to tell

But Lannen said he doesn't know if there will be any changes.

"Right now, it's too soon to tell," he said.

In the meantime, the Service Technology Group is implementing several programs developed and instituted over the past couple of years tailored to GM's philosophy of "service as product." Among them are:

■ A network of field technicians that tend to problems reported at dealerships, feeding their experience back to the platform teams to aid the development of future models.

■ Converting service departments at GM dealerships to a paperless repair order and information system.GM is converting to a compact disc-based service information and repair and will phase out printed service bulletins and manuals in the future.

■ Integration of new technologies — many of them mandated by law — such as the introduction of chlorofluorocarbon-free air conditioning refrigerant on several models for the 1993 model year and a universal on-board diagnostic system.

In the North American Operation organization announced in late April, Lannen's Service Technology Group was placed under the North American Vehicle Sales and Marketing Group headed by Michael Losh.

While the reorganization may have appeared cataclysmic to outside observers, Lannen characterized the changes as part of a natural progression of streamlining that has been in progress for several years.

The most immediate and apparent result of the management changes has been a new-found sense of urgency within GM, Lannen said, a change he believes is beneficial to the automaker.

But the changes have not disrupted the Service Technology Group's work with the automaker's platform teams or dealers.

The group recently completed an equipment program launched in February at the National Automobile Dealers Association convention in Dallas to ensure that every GM dealer has the capability to use compact discs to service vehicles.

The discs, produced by GM, store service information that will eventually reduce the dependency on printed service manuals. When connected to a GM vehicle via the assembly line data link, the discs can be used to reprogram computer chips. One of the main benefits of the system is it will hold down the number of different types of replacement chips dealers will need to stock.

Lannen said all GM dealers are signing up to have compact disc compatible units, with most to have the equipment in place in time for the start of the 1993 model year this fall. AN

Group asks EPA to ban sale of CFC-12 replacements

The Mobile Air Conditioning Society has asked the EPA to prohibit the sale of refrigerants, chemicals or blends intended to replace CFC-12 in motor vehicle air conditioning systems.

The trade association also is trying to block the sale of adaptors required for installation of these refrigerants until standards for retrofit refrigerant procedures are completed. The SAE is developing these standards at the request of the EPA.

The group is concerned about certain "drop-in" chemicals and chemical blends offered for sale to replace CFC-12 in existing automotive air conditioning systems. The group said there is no known "drop-in" replacement for CFC-12, and it knows of no original equipment or aftermarket air conditioning system manufacturers that have approved the use of any of these substances in their systems.

The replacement items are not compatible with current automotive air conditioning system designs and can cause system failures and higher emission rates, and in some cases, can become flammable or combustible.

The replacement chemicals and blends also are incompatible with the current automotive air conditioning recovery and recycling equipment required under the Clean Air Act.

Those refrigerants will be drawn into recycling equipment being used to service air conditioning systems. This not only will result in problems for the equipment, but also will transmit the contaminated refrigerant to all other vehicles being serviced.

An additional problem, the group said, is the production and sale of service hose adaptor fittings to allow introduction of HFC-134a and various refrigerants, chemicals or blends into air conditioning systems designed for CFC-12. This will increase the chances that systems and refrigerant supplies will become contaminated.

"The combination of these factors create a situation in which the likelihood exists that consumer and professional service technician confidence in the recovery and recycling program may be lost, and indeed may result in substantial consumer litigation in certain sectors of the industry," said Simon Oulouhojian, executive director of the society.

"We are asking the EPA, SAE and the industry for the time to conduct these studies, evaluate the various choices and develop a retrofit program that will meet the goals of the Act," he said, "and properly protect human health and welfare, and the environment." AN

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School gathers data for Chrysler

HIGHLAND PARK, Mich. — Chrysler Corp. has enlisted the help of Southern Illinois University in a research project to generate data for Chrysler's Mopar Diagnostic System.

The Automotive Technology program at the university's College of Technical Careers has agreed to conduct advanced research in gathering engine performance data this spring. The project could continue indefinitely.

The research requires making hundreds of recordings of several engine families in various performance modes. The recordings will be used as graphic "overlays" for technicians to compare with data from suspect circuits in a malfunctioning vehicle.

Also participating in the project are Chrysler's Service and Parts Operations' diagnostic development department and Management Information Systems Group, along with IBM and Bell and Howell, suppliers for the diagnostic system.

"Students get inside experience in data acquisition research for use in leading-edge diagnostics technology. We can put their findings to immediate practical use in helping to better serve our customers," said Robert Knox, manager of diagnostic development.

The Modular Diagnostic System is a computer-driven tool to help dealership service technicians troubleshoot and service electronic controls on vehicles. AN

Service business rises

Double-digit jumps in sales of shop parts and in sales of all parts and accessories pushed the Automotive News Service Index higher in March.

Parts and service business for the month was 110.2 percent of the amount recorded in March 1991.

For the first quarter of 1992, parts and service business was 103.5 percent of that in the same period last year.

March was marked by a 12.8 percent rise in sales of all parts and accessories and a 12.4 percent increase in shop parts sales. Gross profit on all labor and parts and accessories sales rose 7.5 percent; total labor sales rose 5.4 percent; and repair orders written were up 1.2 percent.

March's gains also made the sales of all parts and accessories and shop parts sales the leading indicators for the quarter, both up more than 5.5 percent. Gross profit on all labor and parts and accessories sales rose 2.5 percent.

Figures used in the Service Index are compiled from a cross-section of new-car dealerships. AN

SERVICE INDEX
110.2*

	March '92 vs. March '91	Jan.-March '92 vs. Jan.-March '91
Gross Profit on All Labor and P&A Sales	+ 7.5%	+ 2.5%
Repair Orders Written	+ 1.2%	+ 0.5%
Total Labor Sales (Customer & Warranty)	+ 5.4%	+ 0.6%
Shop Parts Sales (Customer & Warranty)	+12.4%	+ 5.8%
Sales of All P&A	+12.8%	+ 5.7%

* Survey by Automotive News shows that dealers' service and parts business in March 1992 was 110.2 percent of business in March 1991. Service business in 1992 was 103.5 percent of business in the corresponding period in 1991.

Wisconsin passes crash parts law

MADISON, Wis. — Insurance companies will have to notify consumers of the use of non-original parts to repair motor vehicles damaged in crashes, and manufacturers must put labels containing their names on replacement parts, under a Wisconsin law that goes into effect Jan. 1.

The penalty for the dealerships or body shops selling unlabeled replacement parts is $500 per day. This applies unless the same company made the replacement part and the vehicle.

The bill was developed by negotiations among auto dealers, insurance companies, junk dealers and the Legislative Council, a standing nonpartisan part of the state Legislature that appoints legislators and public members to long-term committees for developing laws.

— *Sally Garbo Wedde*

DEALER DISCOUNTS ON 1992 MODELS

All figures are percentages

CARS

	Discount at time of purchase	Holdback	Finance charge	Total discount
GENERAL MOTORS				
Buick Skylark	10.2	3	1.8	15.0
Century (base)	11.2	3	1.8	16.0
Other Century	13.2	3	1.8	18.0
Regal	13.2	3	1.8	18.0
LeSabre	13.2	3	1.8	18.0
Roadmaster	13.2	3	1.8	18.0
Park Avenue	14.2	3	1.8	19.0
Riviera	14.2	3	1.8	19.0
Cadillac (all)	14.2	3	1.8	19.0
Chevrolet Geo Metro, Prizm	7.5	3	1.5	12.0
Geo Storm	9.5	3	1.5	14.0
Cavalier VL	5.2	3	1.8	10.0
Cavalier RS, Z24	7.2	3	1.8	12.0
Cavalier conv.	10.2	3	1.8	15.0
Corsica/Beretta	10.2	3	1.8	15.0
Camaro	10.2	3	1.8	15.0
Lumina	13.2	3	1.8	18.0
Caprice	13.2	3	1.8	18.0
Corvette	15.2	3	1.8	20.0
Oldsmobile Achieva	10.2	3	1.8	15.0
Cutlass Ciera (base)	7.2	3	1.8	12.0
Other Ciera	13.2	3	1.8	18.0
Cutlass Supreme	13.2	3	1.8	18.0
Eighty Eight	13.2	3	1.8	18.0
Ninety Eight	13.2	3	1.8	18.0
Toronado	13.2	3	1.8	18.0
Pontiac LeMans	7.5	3	1.5	12.0
Sunbird LE	7.2	3	1.8	12.0
Other Sunbird	10.2	3	1.8	15.0
Grand Am	10.2	3	1.8	15.0
Firebird	10.2	3	1.8	15.0
Grand Prix LE	11.2	3	1.8	16.0
Other Grand Prix	13.2	3	1.8	18.0
Bonneville	13.2	3	1.8	18.0
Saturn (all)	14	3	0	17.0
FORD MOTOR CO. (The finance cost is an add-on on the dealer invoice. It is not part of the dealer discount structure.)				
Ford Festiva	5.8	3		8.8
Escort (base)	7.6	3		10.6
Other Escort	9.8	3		12.8
Tempo	9.9	3		12.9
Probe	9.8	3		12.8
Mustang LX 2-door	9.4	3		12.4
Other Mustang	9.9	3		12.9
Thunderbird	13.8	3		16.8
Super Coupe	14.1	3		17.1
Taurus	13.9	3		16.9
Taurus SHO	14.3	3		17.3
Crown Victoria	13.9	3		16.9
Lincoln (all)	14.9	3		17.9
Mercury Tracer	9.8	3		12.8
Capri	9.9	3		12.9
Topaz	9.9	3		12.9
Sable	13.9	3		16.9
Cougar	13.8	3		16.8
XR7	14.1	3		17.1
Grand Marquis	13.8	3		16.8

Discounts differ on models within car lines. Figures listed are the average discounts.

	Discount at time of purchase	Holdback	Finance charge	Total discount
CHRYSLER CORP. (The finance charge is an add-on on the invoice. It is not part of the dealer discount structure.)				
Chrysler LeBaron sedan	10.1	3		13.1
LeBaron coupe	10.0	3		13.0
LeBaron convertible	10.5	3		13.5
New Yorker	12.5	3		15.5
Imperial	13.8	3		16.8
Dodge Colt	4.4	3		7.4
Shadow America	6.1	3		9.1
Shadow conv.	7.4	3		10.4
Other Shadow	6.9	3		9.9
Daytona IROC/RT	9.2	3		12.2
Other Daytona	8.1	3		11.1
Stealth base/ES	8.7	3		11.7
RT, Turbo	9.8	3		12.8
Spirit (base)	9.0	3		12.0
LE, ES	9.6	3		12.6
RT	10.2	3		13.2
Dynasty	12.2	3		15.2
Monaco LE	11.9	3		14.9
ES	12.4	3		15.4
Eagle Premier LX	12.1	3		15.1
ES	12.3	3		15.3
ES Limited	12.7	3		15.7
Summit	4.3	3		7.3
Summit wagon	7.1	3		10.1
Talon	7.2	3		10.2
Plymouth Colt	4.4	3		7.4
Colt Vista	6.8	3		9.8
Sundance America	6.0	3		9.0
Other Sundance	7.0	3		10.0
Laser (base)	6.3	3		9.3
Other Laser	7.6	3		10.6

Discounts differ on models within car lines. Figures listed are the average discounts.

	Discount at time of purchase	Holdback	Finance charge	Total discount
BMW				
3 series	18.2	2	0	20.2
5 series	18.0	2	0	20.0
735	18.0	2	0	20.0
750, 850	20.0	2	0	22.0
AMERICAN HONDA				
Acura Integra	16.0	0	0	16.0
Vigor	17.0	0	0	17.0
Legend	18.0	0	0	18.0
NSX	18.0	0	0	18.0
Honda Civic CX	10.0	0	0	10.0
Other Civic	15.0	0	0	15.0
Accord	16.0	0	0	16.0
Prelude	16.0	0	0	16.0
JAGUAR				
XJ6 (base)	16.4	2	0	18.4
Other XJ6	18.4	2	0	20.4
XJS	18.5	2	0	20.5
MAZDA				
323 (base)	6.0	2	0	8.0
SE	9.0	2	0	11.0
Protege DX	10.0	2	0	12.0
LX	11.0	2	0	13.0
626 DX, LX	13.0	2	0	15.0
ES	14.0	2	0	16.0
929	16.0	2	0	18.0
MX-3 (base)	11.0	2	0	13.0
GS	12.0	2	0	14.0
MX-5 Miata	12.0	2	0	14.0
MX-6 (base)	13.0	2	0	15.0
LS	14.0	2	0	16.0
RX-7	16.0	2	0	18.0
MERCEDES-BENZ				
190 class	20.0	0	0	20.0
300 class	20.0	0	0	20.0
S class	19.5	0	0	19.5
SL	20.0	0	0	20.0
MITSUBISHI				
Precis	9.0	2	0	11.0
Mirage VL	9.7	2	0	11.7
Standard	9.9	2	0	11.9
LS	11.0	2	0	13.0
GS	12.0	2	0	14.0
Eclipse (base)	12.5	2	0	14.5
Others	13.0	2	0	15.0
Galant (base)	9.9	2	0	11.9
Others	15.0	2	0	17.0
Expo LRV (base)	10.0	2	0	12.0
Sport	13.0	2	0	15.0
Expo (base)	12.0	2	0	14.0
SP	14.0	2	0	16.0
Diamante (base)	16.0	2	0	18.0
LS	18.0	2	0	20.0
3000GT (base)	15.0	2	0	17.0
Others	18.0	2	0	20.0

Mitsubishi holdback is 2 percent of base invoice.

	Discount at time of purchase	Holdback	Finance charge	Total discount
NISSAN MOTOR CORP.				
Infiniti (all)	20.0	0	0	20.0
Nissan Sentra E 2-door	6.2	2	0	8.2
E 4-door, all XE	11.3	2	0	13.2
SE, SE-R, GXE	11.8	2	0	13.8
NX 1600	10.2	2	0	12.2
2000	11.3	2	0	13.3
Stanza XE	11.8	2	0	13.8
GXE, SE	12.8	2	0	14.8
Maxima	13.3	2	0	15.3
240SX base coupe	11.3	2	0	13.3
All others	12.3	2	0	14.3
300ZX (all)	14.3	2	0	16.3

Nissan holdback is 2 percent of base invoice.

DISCOUNT

Invoice add-ons slash dealer profit

continued from PAGE 1

a starting point.

It is a bit like the sticker price itself. The sticker is seldom the transaction price, but it is the best way to compare the prices of competing cars.

Take the Buick Regal Limited coupe (see table at right). Based on the 18 percent discount, the dealer would pay 82 percent of the $17,790 sticker price to acquire the car. That would be $14,588.

But the car is invoiced at 13.2 percent, with 3 percentage points ($534) going into a holdback fund and 1.8 percent ($320) retained by GM to help the dealer cover bank interest for keeping the car in stock.

So far, that $14,588 car has cost the dealer $15,442, and the assault on the dealer's margin is by no means finished.

The destination charge adds $505 to the invoice (and the sticker, too) and an advertising charge tacks on another 1.0 to 1.5 percent — call it $265 — to the invoice.

Dealer cost now is up to $16,212.

Add a few items of optional equipment ($1,355 retail/$1,152 invoice) and dealer cost is $17,364 with a retail sticker of $19,145 plus $505 for that troublesome freight charge: $19,650.

If the car is sold for full sticker price — which is next to impossible in this market — the gross would be $2,286. But it is likely that more than $1,000 will be bargained away to make the sale. At a selling price of $18,500, gross profit is $1,136, minus 25 percent to the salesman.

To his $852 profit, the dealer adds $574 in holdback from the car and options and deducts, perhaps, $150 for floorplan expense.

That leaves $1,276, or 7.3 percent profit on a piece of merchandise that cost $17,364 to put into the showroom.

It indicates why such items as the finance reserve and the sale of credit life insurance and extended-service contracts are so important to car dealers.

According to NADA, low grosses are the reason dealership new-car departments were money losers the past two years.

The gross margin on new vehicles retailed in 1991 was barely above 7 percent at the average dealership, NADA said.

The average gross was 7.5 percent in 1990 and 9 percent in 1983, according to the association.

HELP FROM HOLDBACKS

The holdback is a major factor in keeping many dealerships afloat. It is sort of a non-interest-bearing Christmas Club.

All Big 3 cars and light trucks, and some import vehicles, have holdbacks.

On Big 3 vehicles, the holdback is 3 percent of the sticker price of the car and factory-installed options.

The 3 percentage points are shaved off the dealer's discount. The manufacturer holds the money and pays it back to the dealer, usually quarterly.

Because of thin margins, the holdback may mean the difference between profit and loss for a dealership.

GM began a 1 percent holdback on all cars except Cadillac in the 1960 and 1961 model years. The GM holdback went to 2 percent for all cars for the 1962 model year.

The holdback on all Big 3 vehicles now is 3 percent.

To compensate dealers for the use of their funds, GM adopted 15-day delayed billing when the holdback was instituted.

That meant that dealers did not have to pay for a vehicle as soon as it hit the asphalt on their lot.

The period now is 16 days from the end of transit time at GM and about the same at Ford Motor Co. and Chrysler Corp.

If the dealer sells the car within that span, he has no floorplan expense.

FLOORPLAN AID

Floorplanning is the dealer's method of financing his inventory. Few dealers pay cash for their vehicles. They borrow the money from a bank or finance company and pay interest on each vehicle until it is sold.

Dealers' floorplanning cost typically is one percentage point over the prime rate. Last week, the prime was 6.5 percent.

Floorplan assistance is another part of Big 3 procedures.

The programs began during the recession of the early 1980s when floorplan rates rose to 20 to 22 percent and were eating dealers alive.

At 20 percent, the cost of floorplanning a car with a $12,000 invoice price was $2,400 a year, or $200 a month. If it sat on the lot for three months, the dealer had $600 tied up in floorplan expense, which may have been more than he made when the vehicle was sold.

In 1991, the average dealership paid $228 in floorplanning per new car retailed, NADA estimates.

At GM, 1.8 percent of the sticker price is retained by GM.

The company uses the money to guarantee the dealer a lower percentage rate for a certain number of days.

After that period, the floorplan rate returns to its normal one point over prime.

At Ford, the floorplan assistance charge is an invoice add-on and is not part of the dealer discount structure.

The amount charged to dealers is based on a Ford Motor Credit Co. formula tied to the prime rate.

Dealers are assessed a certain amount — it differs by model and car line — for each car or truck they buy from the factory.

The dealer assessment and a factory contribution are returned to Ford dealers to help them pay floorplanning expenses.

At Chrysler Corp., the finance charge also is an invoice add-on. It is returned to the dealer to help defray floorplan expense and, as at Ford, it is not part of the dealer discount structure.

Destination charges, an add-on to both the invoice and the retail sticker, are paid by the dealer when he pays for the vehicle and are passed on to the customer as part of the transaction.

The dealer who doesn't build the destination charge into the selling price is in deep trouble. The fee ranges from $255 on a Geo Metro convertible to $700 on a Porsche.

Including the destination charge in the sticker price would make sense, but it wouldn't please the manufacturers and importers.

It would increase the sticker price, but it would bring the automakers and importers no additional revenue — they already collect it as an invoice add-on.

Whether the dealer collects it in the selling price is the dealer's problem.

Rick Kranz, chief editor of the copy desk, and Staff Reporters Kathy Jackson and Arlena Sawyers contributed to this report.

PICKUPS, VANS, SPORT-UTILITIES

	Discount at time of purchase	Holdback	Finance charge	Total discount
PORSCHE				
968	18.0	0	0	18.0
911	16.3	0	0	16.3
928	17.3	0	0	17.3
ROLLS-ROYCE MOTOR CARS				
Bentley (all)	15.0	3	0	18.0
Rolls-Royce (all)	15.0	3	0	18.0
SAAB				
900 and 900S	15.5	0	0	15.5
900 Turbo	16.3	0	0	16.3
900 convertible	16.8	0	0	16.8
9000 (base)	14.0	0	0	14.0
Other 9000	17.3	0	0	17.3
TOYOTA MOTOR SALES				
Lexus ES300	18.0	0	0	18.0
SC300	18.0	0	0	18.0
LS400	20.0	0	0	20.0
SC400	20.0	0	0	20.0
Toyota Tercel (base)	8.5	0	0	8.5
Deluxe	10.0	0	0	10.0
LE	14.0	0	0	14.0
Corolla (base)	11.0	0	0	11.0
Deluxe	14.0	0	0	14.0
LE	14.3	0	0	14.3
Camry Deluxe, LE, SE	15.5	0	0	15.5
XLE	16.0	0	0	16.0
Cressida	18.0	0	0	18.0
Paseo	13.0	0	0	13.0
MR2	15.5	0	0	15.5
Celica ST	14.5	0	0	14.5
GT	15.0	0	0	15.0
GT-S, Turbo	15.5	0	0	15.5
Supra	18.0	0	0	18.0
VOLKSWAGEN OF AMERICA				
Audi 80	13.5	0	0	13.5
100	16.3	0	0	16.3
S4	16.4	0	0	16.4
V8 Quattro	16.5	0	0	16.5
Volkswagen Fox 2-door	7.5	2	0	9.5
GL 4-door	9.1	2	0	11.1
Golf	10.1	2	0	12.1
GTI (base)	10.1	2	0	12.1
16V	11.7	2	0	13.7
Jetta ECOdiesel	10.2	2	0	12.2
Other Jetta	11.7	2	0	13.7
Cabriolet	11.3	2	0	13.3
Passat	11.8	2	0	13.8
Corrado	11.8	2	0	13.8
VOLVO				
240	10.3	*	0	10.3
740	12.4	*	0	12.4
940-GLS	11.7	*	0	11.7
Other 940	12.4	*	0	12.4
960	15.4	*	0	15.4

*Holdback is $600 on the 240 series, $700 on the 740 series and $900 on the 940 and 960 series.

	Discount at time of purchase	Holdback	Finance charge	Total discount
GENERAL MOTORS				
Chevrolet S10 pickup (base)	6.2	3	1.8	11.0
Other S10	10.2	3	1.8	15.0
C/K 1500 work truck	10.2	3	1.8	15.0
Other C/K 1500	13.2	3	1.8	18.0
C/K 2500	13.2	3	1.8	18.0
C/K 3500	13.2	3	1.8	18.0
Lumina APV	10.2	3	1.8	15.0
APV cargo	10.2	3	1.8	15.0
Astro	10.2	3	1.8	15.0
Van, Sportvan	13.2	3	1.8	18.0
Geo Tracker	5.5	3	1.5	10.0
S Blazer	10.2	3	1.8	15.0
K Blazer	13.2	3	1.8	18.0
Suburban	13.2	3	1.8	18.0
Dealer discounts on GMC Truck models are the same as on corresponding Chevrolet models				
Oldsmobile Silhouette	10.2	3	1.8	15.0
Bravada	10.2	3	1.8	15.0
Pontiac Trans Sport	10.2	3	1.8	15.0
FORD MOTOR CO. (The finance charge is an add-on charge on the invoice. It is not part of the dealer discount structure.)				
Ford Ranger S/Sport pickup	6.7	3		9.7
Other Ranger	10.9	3		13.9
F-150 S pickup	10.5	3		13.5
Other F-150	13.8	3		16.8
F-250	13.9	3		16.9
F-350	14.0	3		17.0
Aerostar van	10.7	3		13.7
Wagon	11.0	3		14.0
Econoline Cargo van	13.8	3		16.8
Cutaway van	13.9	3		16.9
Club wagon	14.1	3		17.1
Explorer	10.7	3		13.7
Bronco	13.8	3		16.8
Discounts differ on models within lines. Figures listed are average discounts.				
CHRYSLER CORP. (The finance charge is an add-on on the invoice. It is not part of the dealer discount structure.)				
Chrysler Town & Country	9.4	3		12.4
Dodge Dakota S pickup	4.2	3		7.2
Sport Cab	6.8	3		9.8
Other Dakota	9.2	3		12.2
Ram 50 pickup	5.2	3		8.2
Ram 150	12.2	3		15.2
Ram 250	12.4	3		15.4
Ram 350	12.7	3		15.7
Caravan C/V (base, 2wd)	8.6	3		11.6
Other C/V	9.2	3		12.2
Caravan (base)	8.7	3		11.7
Other Caravan	9.5	3		12.5
Ram Van, Wagon	12.2	3		15.2
Ramcharger S	6.2	3		9.2
Other Ramcharger	12.5	3		15.5
Jeep Wrangler S	3.5	3		6.5
Wrangler (base)	9.1	3		12.1
Cherokee (base 2wd)	8.6	3		11.6
Base 4wd, Sport	9.0	3		12.0
Laredo, Briarwood	9.6	3		12.6
Limited	10.0	3		13.0
Grand Cherokee (base)	8.9	3		11.9
Laredo	9.1	3		12.1
Limited	9.9	3		12.9
Plymouth Caravan (base)	8.7	3		11.7
Other	9.5	3		12.5
Discounts differ on models within lines. Figures listed are average discounts.				
MAZDA				
Pickup 2200 (2wd)				
Cab Plus	10.0	2	0	12.0
Others	9.0	2	0	11.0
Pickup B2600i (2wd)				
Base	10.0	2	0	12.0
Cab Plus	11.0	2	0	13.0
Pickup B2600i (4wd)				
Base	9.0	2	0	11.0
Cab Plus	11.0	2	0	13.0
MPV Cargo (base)	10.0	2	0	12.0
Other MPV	12.0	2	0	14.0
Navajo	13.0	2	0	15.0
MITSUBISHI				
Pickup (base)	9.7	2	0	11.7
Others	12.0	2	0	14.0
Montero base, RS	13.5	2	0	15.5
LS, SR	15.5	2	0	17.5
NISSAN				
Pickup (2wd)				
Standard	6.2	2	0	8.2
Std. long bed	7.2	2	0	9.2
King Cab std.	8.2	2	0	10.2
King Cab SE	10.2	2	0	12.2
Pickup (4wd)				
Standard	8.2	2	0	10.2
King Cab	11.3	2	0	13.3
Pathfinder	11.8	2	0	13.8
Nissan holdback is 2 percent of base invoice.				
TOYOTA				
Pickups (2wd)				
Base short bed	10.0	0	0	10.0
Deluxe short bed	11.5	0	0	11.5
Deluxe long bed, Xtracab	13.0	0	0	13.0
SR5 Xtracab	14.5	0	0	14.5
Pickups (4wd)				
Deluxe short bed	12.5	0	0	12.5
Deluxe longe bed, Xtracab	14.0	0	0	14.0
SR5 Xtracab	15.5	0	0	15.5
Previa				
Deluxe 2wd	14.5	0	0	14.5
LE 2wd, all 4wd	15.0	0	0	15.0
4Runner				
4-cylinder	15.0	0	0	15.0
V-6	15.5	0	0	15.5
Land Cruiser	16.5	0	0	16.5

Holdback works as dealer safety net

For some, it's a big chunk — or all — of gross profit

MARY CONNELLY
Staff Reporter

Many dealers consider the holdback allowance their financial safety net. Although not widely used by Japanese and European importers, the holdback has been part of the Big 3 dealer discount structure for 30 years.

In essence, the holdback is an enforced "Christmas Club" or savings plan for dealers.

On every vehicle purchased by the dealer, the manufacturer or importer withholds a percentage of the wholesale price. The accumulated money is then paid to the dealer in a lump sum on a scheduled basis, usually quarterly.

The holdback allowance on domestic vehicles is 3 percent of the sticker price (3 percentage points of the gross dealer discount). It is 2 percent for most of the importers that use the procedure.

No interest is paid on the funds withheld. But to offset that, automakers usually provide dealers 10 to 20 days of delayed billing. The makers say that the floorplan interest saved by delayed billing balances the interest that is not paid on the holdback money.

Dealers use the accumulated savings for a wide range of purposes. Some stage special vehicle promotions when the holdback money arrives. Many roll the holdback funds into their dealerships' general operating funds.

But dealers emphasize the importance of the holdback. For many dealers in today's sluggish market, it represents a substantial amount of a dealership's gross profit. Often, it is the difference between black ink and red ink.

It is not an inconsequential sum. On a Ford Escort, it can be as little as $250. On a Cadillac Seville, it can top $1,200.

A Chevrolet dealer selling 400 new cars and 400 new trucks a year might pick up at least $350,000 if his or her sales pattern follows the national mix.

"The holdback is an absolute necessity to a dealership's well-being," said the general manager of a Mitsubishi dealership in Florida. Mitsubishi, Nissan and Mazda are the only major Japanese makes that use the system.

Several dealers said that as a store policy, they refuse to sell vehicles below invoice. But because of the holdback allowance, they know they will at least reap the holdback percentage from the vehicle sale.

"As a store policy, we don't go less than holdback," said Kelly Westlake, general manager of University Mazda in Albuquerque, N.M. "But we know that we have that holdback if we sell at invoice."

Added Tim Holm, general manager of Holm Automotive Center Inc. in Abilene, Kan., "Most of us retain the 3 percent for gross and don't sell under invoice very often." Holm Automotive Center sells Chevrolet, Oldsmobile, Buick, Pontiac, Cadillac and Geo.

Noted a Nissan dealer: "I may sell with the holdback as profit if I have a lot of the same cars in inventory. It does come into play when working a car deal. I may sell for dead invoice, pay the salesman's commission and be done."

He said the holdback facilitates vehicle trades among dealers.

"On a dealer trade, the selling dealer keeps the holdback and the buying dealer has already sold the car and is making something," he said.

The holdback also offsets costs such as floorplanning, dealers said. For example, if a vehicle is carried in inventory for six months at $200 a month and is sold for only $500 over invoice, the holdback allowance helps offset the $700 lost in floorplan expense.

But a domestic dealer in the Midwest said some salespersons do not like the holdback because they do not receive a commission on it.

"The factory gives the money to the dealership, and the salesmen can't get into the holdback percentage," the dealer said.

Holm said he would accept an increase of half a percentage point in the holdback.

"To most of us, that money is sacred," he said. "You don't dip into it. Another one-half percent wouldn't bother me. It's a self-imposed savings account."

When the holdback money arrives at the dealership, it is put in a special bank account to offset floorplanning costs, Holm said. "For me, it's like automatic savings withholding."

Uses of the money vary.

"I put it into operating funds," said Mark Paladino, a co-principal in Mark Ford-Mercury in New Milford, Conn. Many dealers do the same.

Wayne Petersen of Petersen Chevrolet-Buick in Fairbury, Ill.; Petersen Motors (Chrysler-Plymouth) in Gibson City, Ill.; and Petersen Chrysler-Plymouth-Dodge in Fairbury, Ill., said he uses two holdback payments to pay real estate property taxes. The other two payments are used for staff bonuses, vehicle incentives or capital improvements at the dealerships.

"I increase my advertising budget a bit," said a Nissan dealer.

A Mitsubishi dealer agreed: "We usually use it for additional promotions in sales and advertising."

Love-hate issue for imports ➤ 24

SOLD: ONE 1992 BUICK REGAL LIMITED COUPE

CUSTOMER VIEW	
Base sticker price:	$17,790
Options:	1,355
Sticker total:	19,145
Destination charge:	505
Grand total:	19,650
Negotiated price:	18,500
SALESPERSON VIEW	
Base sticker (13.2% discount):	$15,442
Options (15% discount):	1,152
Total:	16,594
Destination charge:	505
Advertising fee (1½% of base sticker):	265
Dealer cost:	17,364
Selling price:	18,500
Dealer gross:	1,136
Commission (25% of dealer gross):	284
DEALER VIEW	
Dealer gross less commission:	$ 852
Holdback (3% of sticker total):	574
Total:	1,426
Less floor plan:	150
Gross profit:	1,276
As percent of dealer cost:	7.35

CANADIAN CAR AND TRUCK SALES

APRIL 1992

	April 1992	April 1991	4 mos. 1992	4 mos. 1991
BMW (imported-car)	**461**	**408**	**1,385**	**1,224**
N.A. car	8,035	10,841	25,842	33,755
Imported-car	2,206	1,912	8,109	6,495
N.A. truck	10,838	10,175	35,168	31,660
Imported-truck	58	145	272	417
CHRYSLER	**21,137**	**23,073**	**69,391**	**72,327**
N.A. car	11,363	14,265	39,694	44,616
Imported-car	776	956	2,527	2,654
N.A. truck	9,477	11,251	35,012	31,145
FORD	**21,616**	**26,472**	**77,233**	**78,415**
N.A. car	27,615	28,589	79,638	85,067
Imported-car	1,091	1,726	3,926	3,986
N.A. truck	13,952	16,902	42,334	44,952
Imported-truck	276	413	1,271	1,588
GM	**42,934**	**47,630**	**127,169**	**135,593**
N.A. car	2,406	2,880	9,241	7,153
Imported-car	5,600	8,383	18,777	25,219
HONDA	**8,006**	**11,263**	**28,018**	**32,372**
N.A. car	437	520	1,099	1,679
Imported-car	1,625	1,743	4,395	5,454
HYUNDAI	**2,062**	**2,263**	**5,494**	**7,133**
JAGUAR (imported-car)	**75**	**65**	**195**	**226**
Imported-car	80	46	257	242
Imported-truck	28	10	88	63
LADA	**108**	**56**	**345**	**305**
LAND ROVER (imported-truck)	**10**	**8**	**44**	**48**
N.A. car	199	294	831	1,797
Imported-car	4,967	5,317	12,840	10,413
Truck*	2,319	3,257	6,686	6,654
MAZDA	**7,485**	**8,868**	**20,357**	**18,864**
MERCEDES-BENZ (imported-car)	**356**	**490**	**1,083**	**1,121**
N.A. car	1,195	747	4,009	2,455
Imported-car	2,428	1,941	7,094	6,744
Truck*	1,023	1,074	3,589	4,038
NISSAN	**4,646**	**3,762**	**14,692**	**13,237**
PEUGEOT (imported-car)	**0**	**21**	**10**	**48**
SUBARU (imported-car)	**762**	**751**	**2,381**	**2,888**
N.A. car	1	128	93	394
Imported-car	627	383	3,159	1,795
N.A. truck	292	534	1,209	1,320
Imported-truck	136	369	876	1,401
SUZUKI	**1,056**	**1,414**	**5,337**	**4,910**
N.A. car	1,832	1,691	6,085	6,665
Imported-car	5,374	5,165	16,961	16,263
Imported-truck	1,380	1,990	4,685	6,191
TOYOTA	**8,586**	**8,846**	**27,731**	**29,119**
Imported-car	3,378	3,263	9,150	10,972
Imported-truck	134	79	314	214
VOLKSWAGEN	**3,512**	**3,342**	**9,464**	**11,186**
N.A. car	162	128	440	668
Imported-car	321	266	870	852
VOLVO	**483**	**394**	**1,310**	**1,520**
N.A. car	**53,245**	**60,083**	**166,972**	**184,249**
Imported-car	**30,127**	**32,748**	**93,119**	**96,596**
TOTAL CAR	**83,372**	**92,829**	**260,091**	**280,845**
N.A. truck	**34,559**	**38,862**	**113,723**	**109,077**
Imported-truck	**5,364**	**7,345**	**17,825**	**20,614**
TOTAL TRUCK	**39,923**	**46,207**	**131,548**	**129,691**
TOTAL CANADA SALES	**123,295**	**139,036**	**391,639**	**410,536**

*Includes Passport and Saab sales.
**Break down of N.A.-built and imported sales not available.
NOTE: N.A. sales are cars and trucks built in the United States and Canada.
Source: Automotive News Data Center and Assn. of Intl. Automobile Mfrs. of Canada

Pension funds cast wary eye at GM issue

CHRISTINE PHILIP
Crain News Service

Pension fund executives are skeptical of General Motors' ability to turn itself around soon, but some intend to take a look at the company's new $2.4 billion common stock issue.

"We are considering the stock offering and are seriously looking at GM," said Roland Machold, director of the $31 billion New Jersey Division of Investment. "But whether we buy any more will take a well-demonstrated change in the company. They keep talking about change but keep falling short of success." New Jersey holds about 3.5 million shares of GM stock.

Machold said he has been talking with GM officials for many years, and "I mean what I say kindly. I look at General Motors, and their attitude is of knowing what to do but not actually doing it. They know what their problems are, but they can't seem to do anything about them."

Sharon Scrogham, equity manager for the $2.4 billion New Mexico Educational Retirement Board, said, "I have a positive feeling in general about General Motors, assuming they're able to restructure. But that is a big 'if.' "

The New Mexico fund holds about 260,000 GM shares, up slightly from Jan. 1. Scrogham said fund executives hope to see GM produce more vehicles, control costs better and stabilize its market share. "There is a certain amount of taking them on faith," she added. "GM has to focus on quality in the future, like all U.S. auto manufacturers."

New Jersey's Machold pegs GM's success to that of the economy. If the economic recovery is strong, Machold said, GM has a "good chance to succeed. GM has another leg on life, but has yet to solve its systemic problems."

Anthony Gray, president of SunBank Capital Management N.A. in Orlando, Fla., said his firm "has used the stock in the past and would be candidates to buy more. We are reasonably positive right now with what is happening."

He cited several factors that contribute to the feeling GM will do better, including an improvement in the auto industry generally, the GM product line, improved general management and the acceleration of cost-cutting measures.

But Gray also has some reservations about GM's future. "We want to get the feeling that they are taking major action to improve profitability," he said. "The direction in the past has been acceptable, but has not been fast enough. They know that they have to fix broken areas within the company, but have been slow to do so thus far."

Nevertheless, Gray said SunBank Capital likely will buy GM stock within the next few months, although not necessarily in the new offering. "The $40 per share area is attractive. If GM shares came in today at $40, we'd be buying."

Some pension funds are not holding large portions of any auto stock. Richard W. Steenken, managing director of domestic equities for the $4 billion Atlantic Richfield Co. pension fund in Los Angeles, said his firm does not hold GM stock now. The fund recently "bought a little bit of Ford stock, but we are riding the market, staying away from auto stocks."

"Why should we bail them out?" he asked. "There are still enough reasonable investments out there so that we don't have to pay for the de-leveraging of America."

An investment officer at a large pension fund, who asked not to be identified, said of GM: "I don't see anything that the company has done to improve the situation. Nothing it has done addresses the underlying financial problems."

The officer added, "The auto industry in general is so dangerously mismanaged that it may actually give us our second double-dip recession in the second half of the year, if they overproduce and don't get profitable fast."

New GM stock to cut pension debt

Issue aimed at unfunded liability

CURTIS VOSTI
Crain News Service

NEW YORK — General Motors' planned contribution of up to $500 million of new company stock to its pension plans is targeted to reduce GM's $8.6 billion unfunded pension liability.

It also could be used to save cash that otherwise would be used for minimum contributions in coming years, as the auto giant restructures in an attempt to remain a viable company. The contribution of common stock to GM's $34 billion defined benefit plans will be made after $2.4 billion of new common stock is issued.

W. Gordon Binns, president of General Motors Investment Management Corp., the subsidiary that oversees investment management of GM's $40.8 billion in employee benefit assets, said the company announced the pension fund's stock contribution at the same time as the public stock offering to let investors know about the additional dilution of the more than 600 n...lion shares of common stock outstanding. The two offerings constitute an approximate 11 percent dilution of existing shares.

The stock contribution will be a supplement to an unspecified cash contribution, the company's first since the mid-1980s. GM expects to contribute up to 12 million shares to the pension fund.

In its last contribution to the pension fund, in 1987, the company provided 19.6 million shares of a new preference stock valued at an average of $53 a share, or a $1.04 billion contribution.

The 1987 preference stock contribution took advantage of tax laws allowing GM to deduct the contribution from its 1986 taxable revenue. Because of that contribution — and large cash contributions in prior years — GM built up enough credits to skip making another pension contribution until this year, Binns said.

This year, the company will make an unspecified cash contribution, less any remaining credits, he said. Together, the contribution and credits will be enough to meet minimum funding standards for its hourly plan, which is about 30 percent underfunded.

GM officials haven't determined how much of the stock contribution will be used to chip away at its underfunded hourly workers' pension plan or to meet expected liabilities of its overfunded salaried pension plan, said assistant treasurer Ed Sabisky. The contribution could be evenly divided.

Sabisky said the salaried plan will feel the brunt of early retirement liabilities stemming from the company's December 1991 announcement it would eliminate 80,000 jobs by 1995. The salaried plan will continue to be fully funded even with the incurred early retirement liabilities.

Sabisky, explaining the rationale for the stock contribution, said that "from the corporate standpoint, looking at a loss of $4.5 billion last year, a sense of equity led us to think maybe a good objective is to make a dent in the underfunding of the plan."

The UAW had no comment on the planned stock contribution.

Mike Gordon, a Washington-based Employee Retirement Income Security Act attorney, said using the stock contributions to chip away at underfunding isn't necessary because the minimum funding standards are designed to do just that over a specified amortization period. "It seems that they want to conserve as much cash as they can in the next four to five years," he said of the contribution.

He suggested another motivation might be to blunt the efforts of the Pension Benefit Guaranty Corp. to raise the minimum funding standards for plans like GM's that are the largest underfunders.

Whatever the motivation, he said, the real issue is whether the company's pension plan should be forced to accept GM stock in lieu of contributions, which is what would happen if the company used the 1992 contributions to avoid making cash contributions in future years.

Gordon would like to see the U.S. Department of Labor treat the stock contribution as it would a prohibited transaction — with a public notice of the intended contribution and a published exemption to allow it.

Binns said when the corporation decided to make the stock contribution, the pension plan hired a third-party fiduciary to approve it before agreeing to the plan.

The flow of the stock contributions, to be made between August and December, will depend on economic conditions, Binns said.

He said the contributions will be managed — by one or more managers — to the benefit of the plan participants, as described in the prospectus.

The managers will have full discretion on the stock and, unlike the 1987 contribution, will have no limitations on the timing of the selling, he said.

Binns said GM already has made some cash contributions to the plans this year, and additional cash contributions will be made to meet the minimum funding standards. He declined to state the amounts.

Canada sales continue dip with 11.3% falloff in April

ANNE E. WRIGHT
and JEREMY SINEK
Automotive News

Sales of light-vehicles in Canada dropped 11.3 percent in April as car sales continued to skid and trucks took their first dip since last October.

Car sales fell 10.2 percent, failing to beat their year-ago totals for the fourth straight month. Trucks dropped 13.6 percent after being the industry's bright spot during the first quarter.

Automakers are putting a brave face on April's disappointing sales figures.

Ford spokesman John Jelinek described them as "a blip — an anomaly in the sales trend."

Ford had double-digit decreases in cars and trucks. For the year, Ford trucks are up 12.4 percent and cars are down 10.7 percent.

General Motors of Canada took solace in beating the market despite a 9.9 percent sales decline for the month.

"You'd expect this April to be reasonably strong because of the talk of recovery, but we're really not seeing that in our industry," said spokesman Stew Low.

He cited low consumer confidence and real interest rates that are still high in Canada compared with the United States.

For the year, total light-vehicle sales in Canada are off by 4.6 percent. Trucks have been up 1.4 percent, while cars have fallen 7.4 percent.

Chrysler Canada trucks were the only portion of the Big 3 to post an increase in April, up 5.6 percent from the year-ago month. That included 595 Jeep Grand Cherokees, which went on sale April 19.

Companies reporting increases for April include: BMW, up 13.0 percent; Jaguar, 15.4 percent; Nissan, 23.5 percent; Subaru, 1.5 percent; Volkswagen, 5.1 percent and Volvo, 22.6 percent.

Japanese puzzle over Honda's NSX bubble

RICHARD JOHNSON
Staff Reporter

TOKYO — The collapse in demand for Japan's most adventurous leap into the luxury-performance field, Honda's Acura NSX sports car, has left Japanese auto executives puzzling over what it all means.

The aluminum-bodied, 270-horsepower two-seater was introduced in 1990 to rave reviews and a crush of orders that quickly swelled the backlog to more than two years. Less than 12 months ago Honda put on an extra shift to raise production to a level five times what it is today.

But demand has plunged in both in the United States and here in Japan, where the bursting of the so-called "bubble economy" and the recent Tokyo stock market selloff has cut sharply into the segment's buyers.

Now, product planners wonder whether the sudden and surprising remission of the $60,000 car means that Japanese marques will be unable to sustain offerings in the price range.

Besides negative economic factors, it is suspected that Japanese brand image simply hasn't evolved far enough.

Analyst Steve Usher of Kleinwort-Benson International in Tokyo figures Honda was ahead of its time. Lasting acceptance of Japanese cars at such prices may take several more years, he said.

One executive said last week that the NSX debacle is being studied by the entire industry. No one, he said, would now attempt to bring out a comparable specialty car.

"The NSX was almost 100 percent a bubble economy car," he said. "No one is sure what Honda was trying to accomplish with it. If they wanted to make an image car, they succeeded. If they wanted to make a volume car, they did not."

Demand for the $60,000 car evaporated.

Honda has progressively lowered NSX production in recent months to fewer than 10 a day. A second shift was eliminated early last fall after a few months of operation because Honda said a huge order backlog in Japan had been cleared up.

The waiting list had once stretched to 10,000 customers.

Shortly after the 1990 launch, NSX resale prices soared. A Tokyo dealer successfully bid 16.2 million yen ($122,000 at current rates) for an NSX in October 1990. The highest reported price in the United States was $105,000 at about the same time. In Japan, the NSX is priced at 8 million yen ($60,150) if it has a five-speed manual transmission and 8.6 million yen ($65,000) for an automatic.

Honda originally projected sales of 2,000 NSXs annually in Japan and exports of 4,000, including 3,000 to the United States. But U.S. sales totalled only 1,940 in 1991. For the first three months, sales fell to 363 from 518 a year earlier.

Sales in Japan were 3,851 units in 1991, but peak sales occurred in the first half of the year.

LUXURY

Japanese makers forced up market

continued from PAGE 1

nounced plans in the past two weeks to launch new cars early next year. Mazda's all-new Amati division is two years away from its debut, and Mitsubishi is widely reported to be working on setting up an all-new upmarket division of its own.

Indeed, barring political intervention, the proportion of the total value of Japanese imports accounted for by luxury division models is likely to soar during the next five years. According to estimates, the divisions' U.S. sales are likely to rise to above 500,000 units a year late in the decade from about 225,000 units in 1990.

The activity comes against the backdrop of recent agreements to cut exports to both the United States and Europe. In March, Japan's Ministry of International Trade and Industry cut the voluntary ceiling on passenger-car exports to the United States to 1.65 million units from 2.3 million, while shipments to the European Community will be cut to 1.185 million units this year from 1.26 million units in 1991.

The reduced volumes mean that each car sold in those markets must yield more return for the producer. As a result, analysts and industry executives concur, the Japanese will concentrate on solidifying and building up the luxury marques — within the confines of political possibility.

"Theoretically, that's what they should be doing," said analyst Ben Moyer of Merrill-Lynch in Tokyo. "But there is the issue of the 'value' of the trade surplus, which is what people should be worrying about, not units."

Moyer said a likely shift in the auto-trade debate from units and raw market share to overall dollar value will drag the luxury divisions into the political fray.

"For that reason, the companies may hold off on some of the high-end products until they feel more comfortable with what the situation is," he said.

Indeed, virtually every Japanese luxury division is understood to have a new flagship model on the drawing board. But so far, they are concentrating on shoring up the middle and bottom of their franchises.

A Toyota executive said that a new Lexus flagship is not a high company priority.

The next new Lexus, Toyota's Japanese-market four-door Aristo, is due to arrive in the United States next March and will be positioned between the ES300 and the LS400.

Nissan has just launched the Infiniti J30 in the same segment where the Aristo will compete, and the next priority for its luxury division is a replacement for the Infiniti G20 at the bottom of the range.

"There are no plans to bring in a model above the Q45," said Masao Horie, Nissan's general manager for European and North American Operations. "The success of Infiniti lies on the success of the Q45."

> "There is the issue of the 'value' of the trade surplus, which is what people should be worrying about, not units."
>
> BEN MOYER
> MERRILL-LYNCH

But Lexus and Infiniti product planning may hinge to a degree on how Mazda positions its Amati luxury channel when it debuts in about two years.

A 4.0-liter V-12-powered sedan is expected to top the Amati range and could prompt Lexus to respond with a new flagship, possibly with a 4.5-liter V-8 or a V-12.

Honda may move toward a new V-8-powered Acura flagship based on the Tokyo auto show's FSX concept sedan that is pitched above the current Legend. The new sedan is rumored to be an aluminum-bodied LS400-fighter with a V-8 engine and VTEC variable-valve timing. But company officials deny such plans.

"Honda's moving up has been talked about for years and years," said one analyst. "But the last time I spoke to Honda they said they were definitely not going to do it. And I don't think they will, given their r&d budget."

Keith Donaldson, who follows the industry for Salomon Brothers in Tokyo, says the makers will find it difficult to move further upscale.

"They will try to introduce a lot of cars which are near-luxury," he said. "They will have high value-added, but not actually luxury, cars. And they will ship over high value-added cars in segments they already care for."

Toshiaki Taguchi, general manager of Toyota's North America Division in Tokyo, conservatively projects sales of 100,000 units a year for Lexus by mid-decade. But the company's product plans for the division suggest a much higher target of at least 120,000 by then.

The division sold 71,206 units in the United States last year, up 12 percent from 1990.

Nissan's Horie says the company plans to sell 70,000 or 80,000 Infinitis a year by 1995 or 1996, about double last year's volume of just under 35,000.

Horie said Infiniti can't expect to approach Lexus volume levels until it beefs up its network. Plans now call for reaching 160 dealers by 1994, up from 109. At 1991 sales per outlet levels, that would put Lexus sales at over 120,000 and Infiniti at just under 60,000.

Mazda's strategy for its new Amati division is the target of much speculation. Besides the two-sedan plan announced by the company, there is talk that the RX-7 will be transformed into an Amati in two years, giving Mazda a proven sports car in the $35,000 range to help kick off the franchise.

On the other hand, some analysts think that Mazda may reconsider its Amati strategy altogether given the company's ailing earnings.

Mazda's unconsolidated pretax earnings for the fiscal year ended March 31 are expected to be off 59 percent from a year earlier, to about $152 million. Results will be announced on Friday.

"Obviously it makes sense to re-evaluate your position given the present situation they are in," said Donaldson. "I'm almost certain there would be a re-evaluation. Whether they pull out at the end of the day, I don't know."

Mazda appears to be pushing ahead. President Yoshihiro Wada said recently that while capital spending will be lower during the next two years, preparations for the premium-car range remain on course.

> "I don't think they can stop the strategy."
>
> MASAYUKI MOCHIZUKI
> W.I. CARR

And Mazda manufacturing executives say the company's new luxury-car plant in Hofu, Japan, is scheduled to be producing five distinct models on the same line, suggesting an array of prestige products for Amati in the future.

A looming question is whether Mitsubishi Motor Co. will create a fifth Japanese luxury franchise in the United States. Fueling the speculation are strong rumors that Mitsubishi is at work on a 4.0-liter, V-8-powered Lexus-fighter that would give Diamante owners something to move into.

But Mitsubishi spokesman Junzo Ishino said, "We don't have any plans for the time being. We have about 500 dealers in the United States and we are concentrating on one channel."

Lingering questions about the profitability of the Lexus and Infiniti ventures also may be a consideration for Mitsubishi.

Rival luxury-car makers in Europe and the United States have repeatedly charged that Toyota is pricing Lexus models for market share — a refined way of accusing them of dumping.

Many analysts aren't so sure that the charge is valid, though.

"Lexus probably makes reasonable money because obviously its high-end cars are doing well," said Donaldson. "I'm sure Toyota is very happy with Lexus."

Infiniti's situation seems less encouraging.

"We do not expect any new channel to make money immediately," said Nissan's Horie.

Regardless, analysts point out, Japanese makers don't have much alternative at the moment.

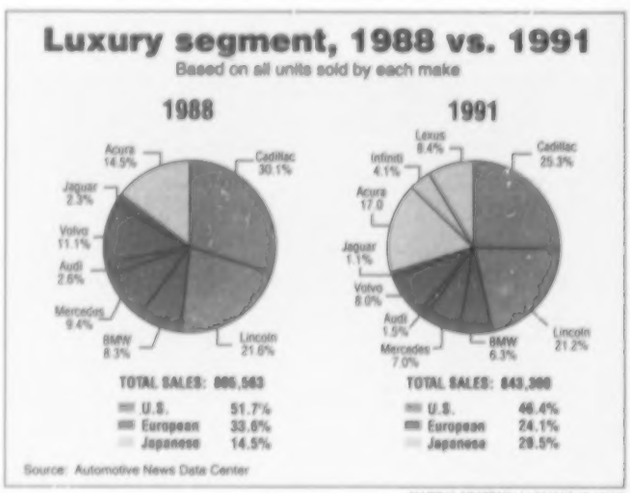
"This is the only way the Japanese can survive in the world market," said Mochizuki of W.I. Carr. "They are facing trouble in the domestic market, can't really make a profit selling small, ordinary cars in Japan. I don't think they can stop the strategy."

Given the pressure and the number of new entries, however, some analysts point out that not everyone is going to do well in the segment.

"There is not enough room for everyone in the luxury market," said Neal Doying, who follows the industry for Baring Securities (Japan) in Tokyo.

"I don't know if there will be a shakeout, but some companies won't do as well as others."

MARTHA GRATTAN / AUTOMOTIVE NEWS



MARTHA GRATTAN / AUTOMOTIVE NEWS

DOMESTIC AND IMPORTED CAR & LIGHT-TRUCK INVENTORIES

Vehicles are domestic unless noted. Vehicles are cars unless noted.

	Units	Days' Supply May 1, 1992	Days' Supply Apr. 1, 1992
ALFA ROMEO (imp.)	1,086	64	97
Acura (imp.)	41,080	103	109
Domestic car	107,600	72	79
Imported car	54,500	108	103
Honda	162,100	81	86
AMERICAN HONDA	203,180	84	88
BMW (imp.)	13,586	61	57
Summit	5,900	293	285
Talon	9,300	92	86
Premier	600	81	56
Wrangler (trk.)	19,900	61	117
Cherokee (trk.)	26,400	92	55
Grand Wagoneer (trk.)	6,800	65	52
Comanche (trk.)	1,500	36	111
Total Jeep-Eagle	15,800	123	109
Total Jeep-Eagle (imp.)	7,600	151	169
Total Jeep-Eagle (trk.)	54,600	98	70
Laser	10,700	121	133
Sundance	14,900	67	61
Acclaim	15,200	52	60
Voyager (trk.)	45,200	62	74
Total Plymouth	40,800	68	71
Total Plymouth (trk.)	45,200	62	74
LeBaron A	6,500	70	67
LeBaron J	9,700	75	45
Fifth Avenue	5,400	50	49
Imperial	1,600	92	95
New Yorker	3,100	71	66
Town & Country (trk.)	2,200	42	53
Total Chrysler	26,300	67	56
Total Chrysler (imp.)	18,400	165	200
Total Chrysler (trk.)	2,200	42	53
Shadow	16,100	56	54
Monaco	300	82	85
Daytona	4,500	89	116
Spirit	14,400	65	67
Dynasty	7,900	37	29
Vans (trk.)	14,000	42	65
Ram Wagon (trk.)	2,000	69	19
Caravan (trk.)	45,100	24	57
Caravan C/V (trk.)	1,400	49	43
Ram 50 (imp. trk.)	4,400	36	249
Ramcharger (trk.)	800	75	71
Dakota (trk.)	34,200	75	82
Pickups (trk.)	23,700	75	85
Total Dodge	43,200	56	36
Total Dodge (imp.)	10,200	154	146
Total Dodge (trk.)	125,600	62	67
Total domestic car	126,100	67	56
Total imported car	36,200	158	176
Total domestic truck	227,700	62	69
CHRYSLER CORP.	390,000	67	69
Imported car	600	24	35
Imported truck	300	19	21
DAIHATSU	900	22	31
Escort	63,500	84	77
Mustang	18,300	54	64
Tempo	28,300	38	31
Taurus	55,000	54	44
Thunderbird	16,600	62	68
Probe	17,300	79	112
Crown Victoria	25,100	71	101
Vans (trk.)	39,700	62	89
Aerostar (trk.)	31,300	87	59
Club Wagon (trk.)	5,200	48	37
Ranger (trk.)	79,100	35	79
Bronco (trk.)	5,100	89	92
Explorer (trk.)	61,000	42	64
Pickups (trk.)	132,200	61	88
Total Ford Div.	224,100	60	58
Total Ford Div. (imp.)	12,400	123	107
Total Ford Div. (trk.)	353,600	73	76
Topaz	13,500	55	44
Sable	21,600	53	53
Cougar	13,700	75	85
Grand Marquis	24,200	84	95
Total Mercury	73,000	65	65
Total Mercury (imp.)	14,900	82	78
Continental	7,600	72	52
Town Car	16,200	42	39
Mark VII	2,700	163	133
Total Lincoln	26,500	52	45
Total L-M Div.	99,500	61	58
Total domestic car	323,600	61	58
Total imported car	27,300	97	89
Total domestic truck	353,600	83	76
FORD MOTOR CO.	704,500	67	67
Skylark	16,700	106	81
Century	15,900	39	43
Regal	25,100	76	104
LeSabre	20,500	46	46
Roadmaster	15,400	118	137
Reatta	100	172	130
Park Avenue	20,300	108	106
Riviera	3,700	92	94
Total Buick	117,700	80	75
Allante	1,300	139	104
Seville	8,600	72	58
DeVille	21,200	50	48
Brougham	7,100	177	177
Eldorado	11,700	132	124
Total Cadillac	49,900	73	66
Geo Prizm	23,100	97	108
Cavalier	48,500	62	63
Camaro	13,400	54	62
Corsica-Beretta	25,300	41	41
Lumina	51,100	65	66
Caprice	19,200	65	60
Corvette	4,900	65	72
Vans (trk.)	46,900	161	161
Sportsvan (trk.)	1,200	44	61
Geo Tracker (trk.)	13,800	108	138
Astro (trk.)	35,700	85	92
Lumina APV (trk.)	12,900	74	91
S10 (trk.)	65,000	107	103
S10 Blazer (trk.)	35,500	85	93
Blazer (trk.)	3,000	46	45
Suburban (trk.)	4,500	29	31
Pickups (trk.)	124,800	84	87
Total Chevrolet	185,500	56	56
Total Chevrolet (imp.)	62,300	222	327
Total Chevrolet (trk.)	343,300	91	95
Calais/Achieva	20,900	71	56
Cutlass Ciera	21,400	48	51
Cutlass Supreme	20,800	55	66
Eighty Eight	27,700	84	117
Ninety Eight	15,700	124	118
Toronado	2,600	174	124
Silhouette (trk.)	3,700	58	51
Bravada (trk.)	2,700	76	51
Total Oldsmobile	109,100	70	71
Total Oldsmobile (trk.)	6,400	64	51
Sunbird	15,000	60	64
Firebird	6,800	78	99
Grand Am	32,900	42	37
Pontiac 6000	200	68	65
Grand Prix	20,700	49	66
Bonneville	26,000	79	93
Trans Sport	6,000	48	65
Total Pontiac	101,600	54	58
Total Pontiac (imp.)	5,300	88	91
Total Pontiac (trk.)	6,000	48	65
Vans (trk.)	17,900	179	173
Safari (trk.)	12,400	82	83
S15/Sonoma (trk.)	17,100	105	97
S15 Jimmy (trk.)	11,400	98	115
Jimmy (trk.)	2,600	129	149
Suburban (trk.)	4,300	68	68
Pickups (trk.)	45,000	88	97
Total GMC (trk.)	110,700	97	102
Total Saturn	23,200	37	36
Total domestic car	586,900	60	61
Total imported car	67,600	198	273
Total domestic truck	466,400	91	95
GENERAL MOTORS	1,120,900	80	76
HYUNDAI (imp.)	24,100	60	92
Imported car	4,300	91	157
Truck (dom./imp.)	45,300	167	96
ISUZU	49,600	156	159
JAGUAR (imp.)	2,100	66	75
Domestic car	12,100	36	50
Imported car	33,100	38	47
Truck (dom./imp.)	25,900	86	88
MAZDA	71,100	47	55
MERCEDES-BENZ (imp.)	9,400	39	42
Domestic car	22,400	64	116
Imported car	39,800	200	225
Imported truck	11,100	149	205
MITSUBISHI	73,300	118	168
Infiniti (imp.)	8,300	65	47
Domestic car	25,400	101	133
Imported car	91,000	115	130
Truck (dom./imp.)	49,800	85	101
Nissan	166,200	95	112
NISSAN MOTOR CORP.	174,500	93	106
PEUGEOT (imp.)	100	60	30
PORSCHE (imp.)	1,400	128	96
RANGE ROVER (imp. trk.)	1,000	90	96
SAAB (imp.)	3,000	30	43
Domestic car	29,600	159	117
Imported car	26,400	199	168
SUBARU	56,000	176	136
Car (dom./imp.)	2,600	156	128
Truck (dom./imp.)	6,200	115	85
SUZUKI	8,800	124	94
Lexus (imp.)	6,600	26	19
Domestic car	34,800	32	26
Imported car	47,500	45	43
Imported truck	30,400	40	44
Toyota	112,700	24	37
TOYOTA MOTOR SALES	119,300	24	36
Audi (imp.)	6,000	122	104
Volkswagen (imp.)	33,200	161	185
Truck (imp.)	250	66	63
VWoA	39,400	145	165
VOLVO (imp.)	18,000	109	53
YUGO (imp.)	0	0	28
Domestic car	1,281,800	62	61
Imported car	598,500	99	99
TOTAL CAR	1,880,300	68	68
Domestic truck	1,047,700	77	81
Imported truck	170,300	81	83
TOTAL TRUCK	1,218,000	77	81
TOTAL STOCK	3,098,300	72	73

American Honda shuffles field staff

KRISTINE STIVEN BREESE
Staff Reporter

LOS ANGELES — American Honda Motor Co. has begun shuffling managers in its Honda sales regions a few weeks after shifting executives at headquarters.

James Roach replaced Bob Rivers as senior manager of the Western region, one of two Honda sales regions reporting to Tom Elliott, executive vice president. Elliott picked up direct responsibility for Honda sales after the surprising departure April 22 of James Cardiges, senior vice president.

Roach had been senior manager of auto field service for Honda Division. Together, he and Larry Finley, senior manager of the Eastern Region, now oversee the Honda Division's 10 zone managers.

Earlier this month Honda had said changes were coming in its field staff. The company confirmed last week other changes had been made at the zone level but would not disclose them. "We don't feel it's appropriate to discuss this, and even if we did, we'd want to notify our dealers first," said Bob Butorac, a Honda spokesman.

Several dealers said they expect more changes. In the meantime, they remain puzzled by the departure of Cardiges, a 14-year Honda veteran who was popular with dealers. Honda has said Cardiges left voluntarily "to pursue other business interests."

Former Western region manager Rivers becomes senior manager for market representation. He reports to Jerry Bengtson, vice president for auto marketing and distribution. AN

Hyundai unveils 1st diesel engine

SEOUL — Hyundai Motor Co. last week unveiled its first proprietary diesel engine, the K-1, for light commercial vehicles.

Until now, the company has relied exclusively on licensed production of Mitsubishi Motors Corp. diesel engines for its commercial vehicles.

The 4-cylinder engine displaces 3.6 liters and has a maximum output of 100 horsepower at 3,500 rpm. Hyundai says the engine delivers 17.5 mpg.

The new engine will be installed on Hyundai's line of 2.5-ton trucks, which are sold under the Mighty badge in South Korea. Planned monthly production of the K-1 is 1,200 units.

The K-1 is Hyundai's second proprietary engine.

Last year, the company unveiled a 1.5-liter, fuel-injected gasoline engine.

— *Oles Gadacz*

Days' supply holds steady for imports

ARLENA SAWYERS
Staff Reporter

The inventory of imported cars was 89 days on May 1, the same as the previous month, while the supply of imported light trucks slipped to 81 days from 83 on April 1.

Inventories for Japanese firms were a mixed bag. American Honda Motor Co. Inc. had an 84-day supply on May 1, down from 88 days the previous month. Nissan Motor Corp. in U.S.A. was at 93 days, down from 106 on April 1.

Mazda Motor of America Inc. had a 47-day supply compared to 55 days the previous month.

On May 1, Mercedes-Benz of North America Inc. had a 39-day supply, down from 42 on April 1. BMW had a 61-day supply, compared to 57 the previous month.

Importers with stockpiles of more than 100 days included Volkswagen of America, 145; Subaru of America Inc., 176; Mitsubishi Motor Sales of America Inc., 118; and Volvo Cars of North America, 109.

Domestic new-car stocks for the Big 3 represented a 61-day supply on May 1 compared to 62 on April 1. On May 1 last year, the Big 3 had a 70-day stock of cars. AN

CAW fights GM over foundry

TORONTO — The Canadian Auto Workers union is preparing to fight the planned shutdown of a General Motors foundry in St. Catharines, Ontario, with a public relations campaign.

About 2,300 jobs are at stake in the 1995 closing, which was announced in February. Production will move to foundries in Ohio and Michigan.

Workers contend St. Catharines is profitable and has lower labor costs and higher quality than rival U.S. plants. They worry the closure could affect the viability of other GM operations in the community.

Apart from rallies to raise public awareness, the CAW plans "to raise awareness within GM that to maintain its foundry operations will be a good business decision," says Gabe McNally, vice president of Local 199.

— *Jeremy Sinek*

10-DAY CAR AND TRUCK SALES, BY MAKE

See story on Page 6

	May 1-10, 1992	May 1-10, 1991
ALFA ROMEO (imp. car)*	77	90
Acura (imp. car)	2,311	3,302
Domestic car	8,310	10,995
Imported car	3,112	4,592
Honda	11,422	15,587
AMERICAN HONDA	13,733	18,889
ASTON MARTIN (imp. car)*	1	1
BMW (imp. car)*	1,147	982
Domestic car*	2,036	2,836
Imported car*	0	22
Domestic truck*	104	105
Chrysler Division*	2,139	2,963
Domestic car*	5,733	7,987
Imported car*	589	700
Domestic truck*	11,737	11,907
Imported truck*	79	75
Dodge*	18,137	20,669
Domestic car*	597	831
Imported car*	263	154
Eagle*	860	986
Domestic truck*	4,533	4,599
Jeep*	4,533	4,599
Domestic car*	3,335	4,646
Imported car*	339	295
Domestic truck*	4,326	4,389
Plymouth*	8,000	9,329
Domestic car*	11,700	16,300
Imported car*	1,191	1,171
Domestic truck*	20,700	21,000
Imported truck*	79	75
CHRYSLER CORP.*	33,670	38,545
Imported car*	134	115
Imported truck*	76	64
DAIHATSU*	210	178
FERRARI (imp. car)*	16	16
Domestic car	28,270	27,948
Imported car	584	1,037
Domestic truck	31,380	32,501
Ford Division	60,234	61,486
Domestic car	2,246	5,897
Lincoln	2,246	5,897
Domestic car	8,247	8,431
Imported car	855	1,198
Mercury	9,102	9,629
Domestic car	38,763	42,276
Imported car	1,439	2,235
Domestic truck	31,380	32,501
FORD	71,582	77,012
Domestic car	10,289	11,683
Buick	10,289	11,683
Domestic car	6,413	6,223
Cadillac	6,413	6,223
Domestic car	20,076	30,829
Imported car	1,520	2,973
Domestic truck	23,799	30,508
Imported truck	129	29
Chevrolet	45,524	64,339
GMC	5,923	7,606
Domestic car	8,794	10,341
Domestic truck	935	826
Oldsmobile	9,729	11,167
Domestic car	13,981	11,449
Imported car	357	416
Domestic truck	759	522
Pontiac	15,097	12,387
Domestic car	3,329	1,539
Saturn	3,329	1,539
Domestic car	62,882	72,064
Imported car	1,877	3,389
Domestic truck	31,416	39,462
Imported truck	129	29
GENERAL MOTORS	96,304	114,944
HYUNDAI*†	2,088	1,841
Imported car*	248	257
Domestic truck	801	777
Imported truck*	1,408	1,640
ISUZU*	2,457	2,673
JAGUAR (imp. car)*	166	162
LAMBORGHINI (imp. car)*	3	3
LOTUS (imp. car)*	5	5
MASERATI (imp. car)*	4	4
Domestic car	641	682
Imported car*	4,525	2,866
Domestic truck	124	178
Imported truck*	1,575	1,718
MAZDA*	6,865	5,443
MERCEDES-BENZ (imp. car)*	1,251	1,075
Domestic car	716	1,143
Imported car*	1,033	1,686
Imported truck*	388	501
MITSUBISHI*	2,137	3,330
Infiniti	663	492
Domestic car	1,099	2,207
Imported car*	4,117	4,142
Domestic truck	1,297	2,304
Imported truck*	3,034	2,887
Nissan*	9,547	11,539
NISSAN MOTOR CORP.	10,210	12,032
PEUGEOT (imp. car)*	7	90
PORSCHE (imp. car)*	58	91
RANGE ROVER (imp. truck)*	61	50
ROLLS/BENTLEY (imp. car)*	4	4
SAAB (imp. car)*	518	803
STERLING (imp. car)*	0	60
Domestic car	718	894
Imported car*	689	1,190
SUBARU*	1,407	2,084
Imported car	86	58
Imported truck	280	318
SUZUKI†	366	376
Lexus (imp. car)	1,118	1,219
Domestic car	5,160	6,330
Imported car	5,051	7,790
Domestic truck	529	0
Imported truck	3,058	5,994
Toyota	13,798	20,114
TOYOTA MOTOR SALES	14,916	21,333
Audi (imp. car)*	256	210
Imported car*	1,070	1,726
Imported truck*	14	101
Volkswagen*	1,683	1,827
VWoA*	1,339	2,038
VOLVO*†	859	1,434
YUGO (imp. car)*	0	25
Domestic car	129,989	152,891
Imported car	35,124	43,128
TOTAL CAR	165,113	196,019
Domestic truck	86,247	96,222
Imported truck	10,100	13,375
TOTAL TRUCK	96,347	109,597
TOTAL CAR & TRK.	261,460	305,616

*Estimated †Breakdown of North American built and imported car sales not available.
There were 8 selling days in the period this year and 9 last year.

INCENTIVE WATCH— DEALER INCENTIVES

NEW PROGRAMS

HONDA (1992 models, expires May 30)

Civic 4-door	$400
Accord	$750

NISSAN (1992 models, expires July 6)

Stanza	$1,500-2,000
240SX (exclude convertible)	$1,300
Maxima GXE	$1,000
Sentra	$700-1,000
Pickups	$1,000-1,750

CONTINUING PROGRAMS

AUDI (1991 models, no expiration date)

Audi 100 and 200	$1,500
Audi 90	$1,000

Rebates apply to models purchased by dealer from Audi of America port stocks.

BMW (no expiration date)

750iL (1991)	$10,000

CHEVROLET (1992 models, expires June 4)

Corvette ZR-1	$2,000
Other Corvette	$1,000

CHRYSLER CORP. (1991-92 models; expires June 30)

Chrysler Imperial, New Yorker Fifth Avenue and Salon	$1,000-2,000, based on number sold
Dodge Dynasty	$1,000-2,000, based on number sold
Stealth	0-$1,000, based on number sold
Jeep Cherokee	$750

ISUZU (expires June 30)

Impulse (1990-91)	$2,500
Impulse (1992)	$1,500
Impulse (1990-92, California and Southwest region)	$2,500
Stylus (1991)	$800-1,100
Stylus (1992)	$600-800
Stylus (1991, Calif.)	$800-2,000
Pickup (1990-92)	$500-1,500, based on number sold
Rodeo (1990-92)	$500-1,250, based on number sold
Trooper (1990-91)	$750

Dealer has the option of sharing rebate with buyer.

LOTUS (1991, no expiration date)

Elan	$5,000
Esprit Turbo	$11,000-15,000

MITSUBISHI (1991-92 models, expires July 6)

Mirage	$500-1,000, quota
Galant	$1,000-1,500, quota
Galant VR-4	$500-3,000, based on number sold

(Galant VR-4 payments are in addition to other Galant rebates.)

Eclipse	7% of sticker, starts with second sale
Pickup	$1,000-1,500, quota

PEUGEOT (no expiration date)

405	$5,000
505	$6,000

PONTIAC (1992 models, expires June 4)

LeMans	$1,000

PORSCHE (1991 models, no expiration date. To qualify for the following rebates, dealers had to buy two cars from port stock by Jan. 17.)

911 Carrera 2, 928	$9,500
911 Carrera 4	$13,500
911 Turbo	$14,000

SUBARU (expires June 2)

Legacy (1991)	$1,000
Legacy (1992) LS, LSi Sport Sedan	$500 or $1,500, depending on invoice date
All other	$1,000 or $1,500, depending on invoice date

SUZUKI (expires Aug. 3)

Swift (1992)	$400-700
Sidekick (1992)	$700-1,500
Swift (1991)	$700-1,000
Sidekick (1991)	$500-1,000

TOYOTA (expires June 2; 1991-92 models unless otherwise noted)

Corolla (1992)	$700-1,200, quota
Tercel	0-$500, quota
Pickups (non-base)	$400-1,000, quota
Pickups (base)	$700-1,300, quota
Camry Deluxe sedan (1992; area served by Gulf States Toyota)	

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

SUMMIT

Japanese, Big 3 are back to the table

continued from PAGE 1

January. Then, the Japanese automakers seemed invincible. Today, they have been set back by recession at home and concessions abroad.

Then, U.S. automakers were at the bottom of a two-year recession. Today, Ford Motor Co. and General Motors are making money again. Chrysler Corp. is close.

The meeting won't attract the worldwide attention that attended the first session, which was part of a visit by Bush, the Big 3 chiefs and 18 other business leaders.

While Bush won't be there today, representatives of the U.S. Commerce Department and the Japanese Ministry of International Trade and Industry will look on.

Officials of both nations have been downplaying the session. They don't want to foster the same hopes that led to bad press and disappointment following the first meeting.

"We don't expect any startling announcements to come out of it," said one senior Bush administration trade official.

NEW PRESSURE

Additional pressure has been aimed at the Japanese by Democrats who have revived legislation aimed at reducing the $43 billion a year trade imbalance between the two nations. Three-quarters of that is in autos and auto parts.

Last Thursday, Ford Chairman Harold Poling and Chrysler Chairman Lee Iacocca endorsed a bill that would limit sales of Japanese-badged imports and transplants in the United States unless sales of U.S.-badged cars increase in Japan. GM said it continues to oppose restraints on imports.

The bill also would require a reluctant Bush administration to launch unfair trade practice cases against Japanese automakers.

"The United States can't afford to continue to be a chump to the rest of the world. We need to follow the golden rule of trade, 'Do unto others as they do unto you,'" said Rep. Dan Rostenkowski, D-Ill.

Rostenkowski, the bill's co-sponsor, addressed a congressional meeting last week.

Poling told Ford stockholders that he was reluctantly supporting the bill.

"We prefer negotiation to legislation, but given the lack of progress, we have concluded that passage of the Rostenkowski trade bill would be in the best interests of America," he said.

HIGH VS. LOW

And Poling said the chronic high imbalance of trade between the United States and Japan will be the No. 1 topic of today's meeting.

The *Nihon Keizei Shimbun* newspaper in Tokyo reported that while the United States wants regular meetings on broad industry issues, Japan prefers lower-level, working-level discussions. The differences will be discussed today.

The Japanese carmakers, initially skeptical about a second meeting, now view it as a chance to end months of mounting political pressure in the United States.

And they hope to clear the air over whether January's announcements that they would increase purchases of U.S. autos and auto parts were firm "commitments" or just "goals," a subject of controversy after the Big 3 visit to Tokyo.

"From a public relations standpoint, the Japanese CEOs should stay home," conceded the Bush administration official. They are likely to get the kind of negative press in America that the Big 3 leaders encountered in Japan, he said.

But the cost of not coming may have been even more pressure from Congress and stronger "Buy American" campaigns in the heartland.

Jack Reilly, chairman of American Isuzu Motor Inc., was skeptical about the Japanese automakers' decision to come to Chicago.

"They really didn't have a choice," Reilly said last week. "What are they going to talk about? Is GM going to say, 'Please stop selling all those cars so we can catch up?' What can the Japanese concede that will satisfy Detroit?

"I think the Japanese will be politically humiliated, and that's what the Big 3 want to do."

PROGRESS NOTED

But another Jack Reilly, the chairman of Tenneco Automotive of Lincolnshire, Ill., and head of the Auto Parts Advisory Council, will have good news to report. He will discuss results of a straw poll of association members in March that indicated an increase in Japanese interest and activity in buying U.S. auto parts.

And a survey by the Motor and Equipment Manufacturers Association, the parts industry's largest trade group, found that 80 percent of member companies reported increased business activity with Japanese carmakers since the January meetings in Tokyo, Reilly wrote in a recent letter to President Bush.

C.E. Pederson, director of the Tokyo office of the Motor and Equipment Manufacturers Association, said that in the first quarter, "We at least doubled the number of meetings with (U.S. suppliers and Japanese) car companies compared to last year. Twice as many people are coming."

While these early signs of increased interest still must be converted into sales, "the foundation that was built during the January business mission has begun to show signs of benefit," Reilly wrote Bush.

On the other hand, little has developed from several proposed import marketing tie-ups announced in January to help U.S. carmakers gain access to Japan's market.

Chrysler's Iacocca expressed disappointment with the progress on car sales in Japan.

"It's important that we be able to access the Japanese distribution system," he said Thursday. "The dialogue keeps going and things seem to be going our way a little bit. There is some movement to open the market. GM got a showroom over there this week."

Japanese auto officials say they have little new to put on the bargaining table. "There will be no gifts this time," said a Mazda Motor Corp. official. "It is too early."

Still, Japanese carmakers may hold one wild card: U.S. supplier sources suggest that the Japanese companies may be in a position to extend American parts-purchasing action plans beyond their current 1994 targets.

In January, Japanese carmakers announced separate plans amounting to a $10 billion increase in U.S. parts purchases from 1991's level to $19 billion by 1994.

They also laid out an assortment of marketing proposals that taken together provide for importing 19,700 American-made vehicles.

And privately, Japanese auto and trade officials predict the two sides will meet again before the end of the year, probably in Japan. "Our expectations are that the talks will be constructive," said Takashi Shimada, auto division deputy director of MITI. AN

Staff Reporters Kristine Stiven Breese in Los Angeles, Mary Connelly and Kathy Jackson in Detroit, and Lindsay Chappell in Nashville, Tenn., contributed to this report.

INCENTIVE WATCH — CUSTOMER INCENTIVES

NEW PROGRAMS

MAZDA (1992 models, expires July 6)

Protege, MX-6	$1,400
626	$1,200
Navajo	$500-1,500
Pickups	$500-1,400

Navajo and pickup rebates vary by model and region.

CONTINUING PROGRAMS

CHRYSLER CORP.

Expires June 30. Finance rates in lieu of rebates are 0 to 9.9 percent.

1991-92 models

Chrysler Imperial, New Yorker Fifth Avenue	$1,500
N.Y. Salon, LeBaron sedan	$1,000
LeBaron coupe, conv. (1992)	$1,000
LeBaron coupe, conv. (1991)	$500
Dodge Monaco, Daytona (1991 only)	$1,500
Shadow, Dynasty, Spirit	$1,000
Colt 3-dr. (Northeast)	$700
Daytona (1992), Colt	$500
Dodge Ramcharger	$2,000
Ram pickup (gas)	$1,500
Ram wagon (van and conversion)	$1,000
Dakota	$750
Ram 50	$500
Eagle Premier	$1,500
Talon awd (1992)	$1,500
Other Talon (1991-92)	$1,000
Summit 4-dr. (1992)	$1,000
Other Summit (1991-92)	$500
Summit 3-dr., 4-dr. (Northeast)	$700
Jeep Cherokee	$1,500
Comanche	$750
Wrangler	$500
Plymouth Acclaim, Laser awd (1992)	$1,500
Other Laser (1991-92)	$1,000
Sundance	$1,000
Colt 3-dr., (Northeast)	$700
Colt, Colt Vista	$500
All minivans (Calif., Hawaii)	$1,000
All minivans (elsewhere)	$500

FORD MOTOR CO.

1992 models

Expires June 30. In lieu of rebates, finance rates of 0 to 9.9 percent are offered. Some rebates vary by regions.

Ford Probe	$1,500
Thunderbird Sport, SC (Calif. only)	$1,500
Taurus SHO	$1,000
Other Taurus, Mustang	$500-1,000
Escort	$500-750
Thunderbird, Tempo, Crown Victoria, Festiva	$500
Ford Bronco, Econoline (RV)	$1,000
Ranger	$750-1,000
Aerostar	$500-1,000
F series	$400
Lincoln (all)	$1,500
Mercury Sable	$500-1,000
Capri	$750
Tracer	$500-750
Topaz, Cougar, Grand Marquis	$500

1991 models

April 1 to June 30. In lieu of rebates, finance rates of 2.9 to 7.9 percent are offered. Some rebates vary by regions.

Ford Thunderbird, Probe	$1,500
Mustang	$1,000-1,500
Festiva	$1,000
Escort	$750
Taurus SHO	$600-1,000
Other Taurus	$400-1,000
Tempo	$400
Ford Bronco, Econoline E150 RV	$1,000
Aerostar	$400-1,000
Ranger, F series, other Econoline	$400
Mercury Capri	$2,000
Sable, Cougar	$1,500
Tracer	$750
Topaz	$400

GENERAL MOTORS

1992 models

Expires June 4, unless otherwise indicated. In lieu of rebates, finance rates of 2.9 to 6.9 percent are offered.

Buick (based on option package ordered)	
Riviera	$2,000
Roadmaster	$1,000
Century, LeSabre	$250-1,250
Regal, Skylark	$500-1,250
Cadillac (expires June 30)	
Eldorado, Seville	$1,000
Fleetwood	$1,000
Allante	$1,000
Chevrolet Geo Metro conv. (expires Sept. 23)	$1,000
Other Metro (expires Sept. 23)	$500
Geo Prizm (expires Sept. 23)	$1,000
Geo Storm (expires Sept. 23)	$750
Lumina	$750
Cavalier, Camaro, Corsica, Beretta, Caprice	$500
S/T Blazer	$1,500
G-Van (upfit)	$1,000
S/T pickup, Lumina APV	$750
Geo Tracker (expires Sept. 23)	$750-1,000
Other G-Van	$500
Astro	$500
C/K pickup (exclude Crew Cab)	$400
C/K pickup (extended cab)	$400
GMC S15 Jimmy (exc. Typhoon)	$1,000
Sonoma (exc. Syclone)	$750
Sierra (exclude Crew Cab)	$400
Safari	$500
G-Van	$500-1,000
Oldsmobile (regional) Toronado, Silhouette, Bravada	$1,000-2,000
Custom Cruiser	$1,000-1,500
Cutlass Ciera	$1,000
Cutlass Supreme	$750-1,500
Ninety Eight, Eighty Eight	$500-1,250
Pontiac Grand Prix, Trans Sport	$750
Sunbird, Grand Am, Firebird, Bonneville	$500

1991 models

Chevrolet Geo Storm (expires Sept. 23)	$750

HYUNDAI (expires June 2)

Excel (1991)	$1,200
Excel (1992)	$500-600
Elantra (1992)	$1,000
Scoupe (1991)	$1,000-1,500
Scoupe (1992)	$750
Sonata (1991)	$2,000
Sonata (1992)	$1,500

SUBARU (expires June 2)

Legacy (1991-92), Loyale (1991-92), Justy	$1,000
Legacy (1990)	$500
Loyale (1990)	$750
Impreza	$1,000
SVX	$2,000
XT	$1,000

SUZUKI (expires Aug. 3)

Swift (1992)	$400-700
Sidekick (1992)	$700-1,500
Swift (1991)	$700-1,000
Sidekick (1991)	$500-1,000

TOYOTA (expires June 2; 1991-92 models unless otherwise noted)

Corolla (1992)	$700-1,200, quota
Tercel	0-$500, quota
Pickups (non-base)	$400-1,000, quota
Pickups (base)	$700-1,300, quota
Camry Deluxe sedan (1992; area served by Gulf States Toyota)	

VOLKSWAGEN (no expiration date)

Passat (1991)	$1,500
Jetta, Fox, Golf (1991)	$500
All 1990 cars	$500-1,500

3 imports adopt new rebate plans

Mazda Motor of America Inc. is offering customer rebates of $400 to $1,500, and American Honda Motor Co. Inc. and Nissan Motor Corp. in U.S.A. have announced new dealer incentive plans.

Mazda is paying customer rebates of $1,200 to $1,400 on some 1992 cars. Based on region and model, rebates range from $550 to $1,400 on 1992 pickup trucks and from $500 to $1,500 on the Navajo sport-utility. Mazda incentives expire July 6.

Honda is paying dealers $750 on sales of 1992 Accords and $400 on 1992 four-door Civics through May 30.

Also through July 6, **Nissan** is paying dealers $700 to $1,300 on some 1992 cars and $1,000 to

SCHEDULED PLANT CLOSINGS

Plant	Weeks down	Units lost/ week
CHRYSLER		
Bramalea, Ontario	†	

†Plant closed for retooling until spring 1992.
Source: Automotive News Data Center

Mazda fixes noisy turbo in '93 RX-7

KRISTINE STIVEN BREESE
Staff Reporter

LOS ANGELES — Mazda Motor of America Inc. had a scare several weeks ago when it discovered a noisy turbocharger on some of the first 1993 RX-7s shipped to the United States.

Bob Evans, vice president of customer support, said the impeller of the turbo was rubbing against its housing, creating friction and a slight noise.

Mazda Motor Corp. fixed the "manufacturing and assembly problem" in Japan, Evans said. The company also dispatched engineers to U.S. ports to check the few hundred cars that had already arrived in the United States.

Most of those fixes were made at the port; others were made at dealerships or regional offices.

Dealers contacted around the country say they have had no problems and no delays in getting the cars. The RX-7 is one of three redesigned cars Mazda has introduced this spring. The others are the 626 and the MX-6. AN

Yanase to sell Opel in Japan

MARY ANN MASKERY
Staff Reporter

TOKYO — Yanase & Co., Japan's biggest imported-car distributor, agreed last week to begin handling Opel sales in Japan next year. Yanase also sells Mercedes-Benz and General Motors products in Japan.

The deal was expected. Yanase announced last month that it will drop Volkswagen AG at the end of this year because of a disagreement over marketing policies. Opel, the German unit of GM, will be introduced into the Yanase network Jan. 1.

Volkswagen, which has been Japan's import leader for most of its 38 years with Yanase, sold 44,562 VW and Audi units last year, compared with Opel sales of 2,725. Opel sells left-hand-drive Kadett, Vectra, Omega and Senator models here. Yanase says it hopes to sell at least 10,000 Opels next year and would like to reach "the same volume as Volkswagen-Audi in a few years."

Yanase and Opel are still discussing the choice of models, prices and specific sales targets for next year. Yanase says it will negotiate the issue of how much homologation will be done in Germany and how much pre-delivery inspection will be handled by Yanase.

Until now, Opel was sold by both Isuzu Motors Ltd. and Toho Motors Co., a specialized import dealer, but the new agreement makes Yanase the sole importer

U.S. AND CANADA CAR AND TRUCK PRODUCTION

Vehicles are assembled in the United States unless noted. Vehicles are cars unless noted.

	Est. 5/11-5/16/92	Actual 5/4-5/9/92	5/1 5/16/92	Year 1/1-5/16/92	Year 1/1-5/18/91
LeBaron J	1,600	1,545	3,449	20,860	17,723
New Yorker	400	377	848	6,273	2,975
Fifth Avenue	1,100	1,006	2,308	12,312	11,226
Imperial	150	149	333	1,971	2,737
Town & Country (trk.)	350	414	854	5,402	1,272
Total Chrysler Division	**3,600**	**3,491**	**7,792**	**46,818**	**35,933**
Sundance	850	1,687	2,831	20,752	16,202
Acclaim	1,600	1,536	3,539	29,400	29,345
Voyager (trk.)	2,500	2,245	5,168	35,619	33,045
Voyager (Can. trk.)	2,600	2,706	5,857	52,224	40,488
Total Plymouth	**7,550**	**8,174**	**17,396**	**137,995**	**119,080**
Daytona	200	431	691	4,489	4,936
Shadow	2,100	3,069	5,681	32,997	18,930
Dynasty	2,300	2,064	4,759	29,427	43,875
Spirit	1,700	1,854	3,831	27,441	26,205
Viper	0	7	8	25	0
Monaco (Can.)	0	0	0	0	1,679
Caravan (trk.)	3,100	3,053	6,750	46,864	41,117
Caravan (Can. trk.)	3,500	3,690	7,938	68,827	54,557
Caravan C/V (trk.)	50	65	130	1,170	1,721
Caravan C/V (Can. trk.)	150	204	385	3,231	11,104
Dakota (trk.)	3,300	3,067	6,986	49,342	28,720
Ram pickup (trk.)	1,150	1,515	2,958	23,670	28,671
Ram wagon (Can. trk.)	500	550	1,182	9,486	8,502
Ram van (Can. trk.)	1,700	1,800	3,841	24,706	14,875
Total Dodge	**19,750**	**21,389**	**45,142**	**321,675**	**284,892**
Premier (Can.)	0	0	0	0	3,225
Cherokee (trk.)	3,600	3,562	7,162	53,394	41,823
Comanche (trk.)	50	44	94	960	2,056
Grand Cherokee (trk.)*	1,900	1,841	4,204	19,655	427
Briarwood (trk.)	0	0	0	325	1,127
Wrangler (Can trk.)	0	0	0	29,026	20,681
Total Jeep-Eagle	**5,550**	**5,447**	**11,460**	**103,360**	**69,339**
Total U.S. car	**12,000**	**13,725**	**28,278**	**185,947**	**174,154**
Total Can. car+	**0**	**0**	**0**	**0**	**4,904**
Total U.S. truck	**16,000**	**15,806**	**34,307**	**236,401**	**179,979**
Total Can. truck	**8,450**	**8,950**	**19,204**	**187,500**	**150,207**
CHRYSLER CORP.	**36,450**	**38,481**	**81,790**	**609,848**	**509,244**
Escort	5,679	5,819	12,646	64,382	76,745
Mustang	2,808	2,819	6,191	34,421	25,571
Tempo	3,926	3,458	7,943	51,377	39,831
Tempo (Can.)	3,377	0	4,046	46,883	42,512
Taurus	9,983	9,205	20,921	144,950	122,961
Thunderbird	2,151	2,079	4,592	32,091	30,584
Crown Victoria (Can.)	2,771	2,784	6,085	40,433	34,656
Aerostar (trk.)	4,210	4,175	9,210	70,516	55,722
Bronco (trk.)	724	722	1,582	8,554	4,597
Explorer (trk.)	6,713	6,431	14,400	122,244	106,274
Mazda Navajo (trk.)	169	142	343	2,147	5,059
Econoline (trk.)	4,531	4,608	10,008	74,797	46,053
Heavy (trk.)	1,046	965	2,202	17,825	13,324
Light truck (trk.)	11,738	7,742	21,159	172,586	101,500
Light truck (Can. trk.)	3,052	3,065	6,730	56,579	35,371
Ranger (trk.)	8,604	8,470	18,753	114,567	94,917
Total Ford Division	**71,482**	**62,484**	**146,810**	**1,054,452**	**835,677**
Topaz	1,311	1,653	3,306	22,576	16,809
Topaz (Can.)	1,424	0	1,718	18,003	13,006
Cougar	1,459	1,543	3,363	23,198	23,169
Sable	2,681	2,823	6,132	48,005	39,533
Grand Marquis (Can.)	2,209	1,920	4,578	39,128	31,051
Mercury Villager (trk.)	203	139	368	617	0
Nissan Quest (trk.)	102	91	200	250	0
Total Mercury	**9,389**	**8,169**	**19,665**	**151,777**	**123,568**
Continental	826	834	1,792	15,010	22,307
Mark VII	0	0	0	2,375	3,905
Town Car	2,478	2,512	5,387	44,939	52,473
Total Lincoln	**3,304**	**3,346**	**7,179**	**62,324**	**78,685**
Total L-M Division	**12,693**	**11,515**	**26,844**	**214,101**	**202,253**
Total U.S. car	**33,302**	**32,745**	**72,273**	**483,324**	**453,888**
Total Can. car	**9,781**	**4,704**	**16,428**	**144,447**	**121,225**
Total U.S. truck	**38,048**	**33,485**	**78,224**	**584,103**	**427,446**
Total Can. truck	**3,052**	**3,065**	**6,730**	**56,579**	**35,371**
FORD MOTOR CO.	**84,175**	**73,999**	**173,654**	**1,268,553**	**1,037,930**
Skylark	635	557	1,371	22,688	34,929
Century	2,689	2,270	5,529	30,250	31,726
Regal (Can.)	2,800	2,753	6,099	35,426	42,225
Riviera	290	305	662	4,774	4,246
Park Avenue	1,513	1,590	3,412	24,945	37,908
LeSabre	4,221	4,010	8,980	57,977	34,249
Roadmaster sedan	965	912	1,877	17,540	0
Roadmaster wagon	200	210	449	5,015	9,266
Reatta	0	0	0	0	1,206
Total Buick	**13,313**	**12,607**	**28,381**	**198,615**	**195,755**
Eldorado	643	837	1,679	16,282	6,433
Seville	1,338	1,131	2,739	19,998	13,046
Brougham	0	0	0	2,170	7,829
DeVille	2,806	3,093	6,435	45,273	53,776
Allante	64	30	107	579	1,203
Total Cadillac	**4,851**	**5,091**	**10,950**	**84,302**	**82,287**
Cavalier	5,530	5,532	12,137	88,905	106,207
Camaro	1,879	1,568	3,786	25,340	16,867
Corsica-Beretta	4,800	5,489	11,427	78,516	92,513
Lumina (Can.)	6,850	6,844	15,088	88,500	78,404
Caprice	3,213	2,663	6,229	39,477	52,707
Corvette	586	882	1,583	7,775	9,094
Astro (trk.)	3,062	2,961	6,624	60,269	37,398
Blazer (trk.)	729	618	1,457	8,792	2,890
Lumina APV (trk.)	992	1,176	2,442	17,415	13,860
Mediums (trk.)	236	263	538	2,300	1,208
P-model (trk.)	831	669	1,624	8,877	5,918
Pickup (trk.)	6,569	6,636	14,486	101,612	92,769
Pickup (Can. trk.)	4,050	4,032	8,917	76,053	51,113
S10 (trk.)	4,133	4,414	9,626	71,160	97,067
Sportsvan (trk.)	0	0	0	11,405	15,975
Sportsvan (Can. trk.)	1,800	1,842	3,989	29,205	19,354
Suburban (trk.)	1,635	1,330	3,202	18,462	9,478
Total Chevrolet	**49,552**	**50,330**	**109,842**	**785,438**	**718,224**
Achieva/Calais	2,800	2,570	5,920	47,506	34,616
Cutlass Ciera	3,754	3,151	7,602	49,506	28,683
Cutlass Ciera (Can.)	0	0	0	0	25,044
Cutlass Supreme	2,400	2,285	5,152	30,276	40,106
Toronado	96	94	210	2,653	2,788
Eighty Eight	1,458	1,625	3,428	30,876	22,001
Custom Cruiser wag.	40	41	89	1,728	4,245
Ninety Eight	824	913	1,898	12,982	29,200
Silhouette (trk.)	516	515	1,097	6,321	6,944
Bravada (trk.)	327	315	723	5,793	7,488
Total Oldsmobile	**12,215**	**11,509**	**26,119**	**187,641**	**201,115**
Sunbird	2,260	2,245	4,927	37,543	48,141
Grand Am	6,085	6,166	13,452	93,162	87,122
Firebird	827	732	1,660	9,291	5,445
Grand Prix	2,700	2,656	5,884	41,998	36,971
Pontiac 6000	0	0	0	0	13,198
Bonneville	2,648	2,593	5,735	39,839	21,033
Trans Sport (trk.)	1,336	1,189	2,759	13,098	8,777
Total Pontiac	**15,856**	**15,581**	**34,418**	**234,931**	**220,687**
Yukon-Jimmy (trk.)	230	211	468	2,714	856
Medium (trk.)	344	334	754	9,690	2,770
P-model (trk.)	67	35	109	947	1,266
Pickup (trk.)	2,659	2,580	5,743	39,504	43,753
Pickup (Can. trk.)	1,500	1,477	3,268	27,894	20,148
Syclone-Sonoma (trk.)	1,317	1,714	3,160	18,244	21,406
Typhoon-S15 Jimmy (trk.)	1,266	633	2,065	15,498	4,939
Safari (trk.)	1,351	1,139	2,778	24,657	14,745
Suburban (trk.)	995	801	1,943	11,715	9,276
Vandura (trk.)	0	0	0	5,803	7,467
Vandura (Can. trk.)	650	639	1,433	14,083	7,929
Total GMC	**10,379**	**9,563**	**21,720**	**170,749**	**134,555**
Total Saturn+	**4,630**	**4,630**	**10,186**	**72,563**	**23,837**
Total U.S. car	**61,894**	**60,780**	**134,546**	**957,427**	**910,591**
Total Can. car	**9,650**	**9,597**	**21,188**	**123,926**	**145,673**
Total U.S. truck	**31,252**	**30,944**	**68,283**	**565,652**	**421,652**
Total Can. truck	**8,000**	**7,990**	**17,608**	**147,235**	**98,544**
GENERAL MOTORS	**110,796**	**109,311**	**241,625**	**1,734,240**	**1,576,460**
Can. car	2,370	2,361	5,164	43,396	49,125
Can. trk.	1,390	1,389	3,039	26,831	21,725
CAMI*	**3,760**	**3,750**	**8,203**	**70,227**	**70,850**
DIAMOND-STAR*	**3,300**	**2,247**	**6,212**	**61,226**	**60,919**
Civic	2,140	2,248	4,804	36,645	36,082
Civic (Can.)	2,200	2,236	4,866	43,472	41,823
Accord	7,810	7,611	17,003	150,220	138,967
Total U.S. car	**9,950**	**9,859**	**21,808**	**186,865**	**175,049**
Total Can. car	**2,200**	**2,236**	**4,866**	**43,472**	**41,823**
HONDA	**12,150**	**12,095**	**26,674**	**230,337**	**216,872**
HYUNDAI+ Sonata (Can.)	**200**	**200**	**460**	**5,507**	**13,517**
MAZDA*	**2,740**	**2,476**	**5,663**	**26,598**	**57,173**
U.S. trk.	1,585	0	1,896	24,767	29,449
Can. trk.	205	181	419	3,181	2,867
NAVISTAR	**1,790**	**181**	**2,315**	**27,948**	**32,316**
Sentra	2,300	2,310	5,072	51,618	54,287
Pickup (trk.)	2,600	2,660	5,813	52,872	53,097
NISSAN+	**4,900**	**4,970**	**10,885**	**104,490**	**107,384**
Geo Prizm	2,400	2,400	5,093	35,803	39,656
Toyota Corolla	1,500	1,500	3,501	43,874	40,796
Toyota Pickup (trk.)	1,300	1,300	2,887	17,468	0
NUMMI+	**5,200**	**5,200**	**11,481**	**97,145**	**80,452**
Legacy	1,184	1,177	2,610	22,812	22,123
Pickup (trk.)	456	460	996	8,817	0
Rodeo (trk.)	855	870	1,875	15,633	0
Total U.S. car	**1,184**	**1,177**	**2,610**	**22,812**	**22,123**
Total U.S. trk.	**1,311**	**1,330**	**2,871**	**24,450**	**19,355**
SUBARU-ISUZU	**2,495**	**2,507**	**5,480**	**47,262**	**41,478**
Camry	5,612	4,795	11,344	91,303	86,437
Corolla (Can.)	1,500	1,516	3,317	28,546	26,652
TOYOTA	**7,112**	**6,311**	**14,661**	**119,849**	**113,089**
VOLVO 740, 940 (Can.)	**150**	**149**	**305**	**2,643**	**3,418**
AM GENERAL (trk.)	**375**	**375**	**825**	**7,125**	**8,050**
MISCELLANEOUS (trk.)**	**2,400**	**2,400**	**5,200**	**45,600**	**53,350**
Total U.S. car	**136,182**	**134,014**	**296,400**	**2,146,797**	**2,075,673**
Total Canada car	**25,851**	**29,763**	**51,727**	**391,937**	**406,337**
Total U.S.-Canada car	**162,033**	**154,777**	**348,127**	**2,538,734**	**2,481,410**
Total U.S. truck	**94,863**	**88,300**	**200,385**	**1,498,438**	**1,192,378**
Total Canada truck	**21,097**	**21,575**	**47,001**	**421,426**	**308,714**
Total U.S.-Canada truck	**115,960**	**109,875**	**247,386**	**1,919,864**	**1,501,092**
TOTAL U.S.	**231,045**	**222,314**	**496,785**	**3,645,235**	**3,267,451**
TOTAL CANADA	**46,948**	**42,338**	**98,728**	**813,363**	**715,051**
TOTAL U.S.-CANADA CAR & TRUCK	**277,993**	**264,652**	**595,513**	**4,458,598**	**3,982,502**

*Estimate

*1991 figures reflect Grand Wagoneer production.

†CAMI includes Geo Metro and Suzuki Swift cars and Geo Tracker and Suzuki Sidekick trucks; Diamond-Star includes Eagle Summit and Talon, Mitsubishi Eclipse and Mirage and Plymouth Laser; Mazda includes MX-6, 626 and Ford Probe.

**Estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz.

Overtime is heavy; output up

ANNE E. WRIGHT
Chief Statistician

For the second consecutive week, the Big 3 scheduled extensive overtime and reported no downtime in the United States and Canada.

Last week's overtime list comprised 18 plants — nine at Ford Motor Co., five at Chrysler Corp. and four at General Motors.

Most Canadian facilities were closed last Friday and today in observance of Victoria Day, a newly negotiated four-day holiday weekend.

Estimated U.S. car production was 136,182 last week, up 1.6 percent from the prior week and up 5.8 percent from last year.

Year-to-date, car production in the United States is 2,146,797, an increase of 3.5 percent over the same period in 1991.

Car assembly in Canada was estimated at 25,851 last week, up 24.5 percent over the prior week and up 47.0 percent over the year-ago week.

So far this year, car production in Canada is 391,937, down 3.5 percent from the 1991 period.

U.S. truck producers' estimated output was 94,863, an increase of 7.4 percent over the prior week and up 18.0 percent over the same week one year ago.

Year-to-date, U.S. truck production is 1,498,438, up 25.7 percent from the year-ago period.

Last week's estimated truck production in Canada was 21,097, down 2.2 percent from the prior week but up 30.3 percent from the year-ago week.

So far this year, Canadian truck production is 421,426, up 36.5 percent from 1991.

The estimated daily build rate of cars and trucks produced in the United States and Canada was 55,599 last week, an increase of 5.0 percent over the prior week 14.4 percent above 1991.

Chrysler scheduled overtime at the following plants last week: St. Louis; Sterling Heights, Mich.; Jefferson North (Detroit); Windsor, Ontario; and Pillette Road (Windsor, Ontario). The Windsor plants worked on the Friday holiday.

The company will run daily overtime this week at the St. Louis; Sterling Heights, Mich.; Jefferson North (Detroit); Belvidere, Ill.; Warren, Mich.; Newark, Del.; and Toledo, Ohio, plants.

GM ran overtime last week at four facilities: Oklahoma City; Van Nuys, Calif.; Moraine, Ohio; and the Suburban line at the Janesville, Wis., plant.

Ford Motor Co. scheduled daily overtime last week at the Atlanta; Chicago; and St. Thomas, Ontario, car plants. The following Ford truck plants worked overtime: Twin Cities, (St. Paul, Minn.); Lorain, Ohio; Edison, N.J.; Louisville, Ky.; and St. Louis.

Both the car and truck lines at the Kansas City, Mo., facility were scheduled for daily overtime last week. The truck line was also